

## DEPENDABLE USED CARS

Model	Description	Price
1933	Austin "12" Saloon	\$ 800
1934	Vauxhall "14" Saloon	\$1,200
1935	Chevrolet Master Sedan	\$1,600
1936	Ford Cabriolet	\$1,600
1937	Studebaker Coupe	\$2,200

**FAR EAST MOTORS**  
Phone 59101 26 Nathan Road,  
KOWLOON.

PRINTED & PUBLISHED BY  
**Isabel**  
"Hongkong Telegraph"  
Printed by The Morning Post, Ltd.,  
Litho. by Wai Wah Street, Hongkong.  
High Water:—12.24.  
Low Water:—18.37.

# The Hongkong Telegraph

FOUNDED 1861 四拜禮 號八月八英港香 THURSDAY, AUGUST 8, 1940. 日五初月七 SINGLE COPY 10 CENTS \$36.00 PER ANNUM

**Whiteaway's  
GREAT SUMMER  
Sale**  
NOW PROCEEDING  
Fine values in every  
department.  
CALL EARLY

## Alleged Japanese Demands on French Indo-China SITUATION QUIET BUT "BALLOON MAY GO UP"

THE SITUATION IN FRENCH INDO CHINA REMAINED QUIET THIS MORNING, ACCORDING TO AUTHORITATIVE SOURCES.

Chinese sources declare that negotiations are in progress between the Japanese authorities and Rear Admiral Decoux regarding the Japanese demands which are stated to be as follows:

- 1.—Establishment of Japanese naval bases at Kwangchowwan, Haiphong and Camn-Rahn Bay;
- 2.—Establishment of Japanese military bases at Haiphong and in the interior;
- 3.—French section of the Haiphong-Kunming Railway to be made available to Japan for transportation of men and materials;
- 4.—Establishment of Japanese aerial bases on French territory;
- 5.—Closer economic collaboration between Indo China and Japan.

### WARSHIPS CONCENTRATE

There is no confirmation from other sources of these so-called demands. Although the situation in Indo China is at the moment quiet.

### Commons Discusses Economic Situation

## STRENGTHENING BRITAIN'S SINEWS OF WAR

LONDON, Aug. 7 (Reuter).—The Government has directed its energies since its formation to strengthening the sinews of war, declared Mr. Arthur Greenwood, Minister Without Portfolio in the War Cabinet, initiating a discussion on economic organisation in the House of Commons to-day.

He began: "It was clear in the very early days of the new government that a tremendous and growing burden rested on Britain. I do not think, however, that the outlook to-day should daunt us.

"To achieve victory as swiftly as may be, our fighting forces must be adequately provided with the sinews of war and the people must be kept in good heart. The Government has directed its energies to strengthening the sinews of war.

"Planes, tanks, guns and munitions of war each call for varied skill and a large variety of materials, drawn from the four quarters of the earth.

### It Is Total War

"The arena of the war has widened by the increased range of aircraft and the war has become a total war in which the term non-combatants ceases to have any meaning. War of this kind and the complexity of it, involving the whole population calls for economic organisation on a scale unknown in the past and I am prepared to admit, not yet fully achieved in the present."

Turning to the economic position of the enemy, Mr. Greenwood said: "Hitler, in his latest speech, painted a rosy picture of his economic strength. He also said that his total supplies for the Army and Air Force are considerably greater than before the attack in the west. That no doubt is true, as far as it is true of this country. But Hitler is beset by serious problems within his swollen boundaries which will intensify as days go by.

### Hitler's Food Supplies

"Hitler boasts that his food supplies are guaranteed for as long as the war lasts. I wonder, I fancy that as the war draws on, Hitler will not be happy, as a condition of famine, for which his aggression and conquest are responsible, has condemned considerable areas of his newly-seized territory.

"A multitude of refugees have been trampled on growing corn. His tanks have devastated much of the countryside and his own crops are not very good this year. Next spring he will begin to feel the pinch of the food problem even more seriously than now. He will continue the making of war material and aerodromes have suffered very heavy punishment.

"Oil refineries, stores, railway junctions, marshalling yards, docks, and ships have been and will continue to be targets for our deadly bombing plans night by night, week by week, more heavily as our bombing strength increases.

### Heavily Damaged

"His output undoubtedly has been very seriously interfered with. It will be difficult, if not impossible, to repair the damage to productive enterprises, lines of Turn to Page 5, Second Column

It is reported that, in addition to a concentration of some twenty or thirty warships in the vicinity of Tongking Bay, Japan has approximately 30,000 troops along the Indo China-Kwangsi frontier.

The French authorities have dynamited all railway and highway bridges along the Kwangsi and Yunnan frontiers.

The "Telegraph" learns that, in addition to 18 Japanese transports sighted earlier this week heading southwards, presumably towards Indo China, eleven transports were later sighted by a ship en route from Shanghai to Hongkong, heading in the same direction.

American naval sources in Manila confirm increased movements of Japanese warships southwards from Formosa.

## Pope Appeals For Truth

SPECIAL TO THE "TELEGRAPH"

VATICAN CITY, Aug. 7, (UP).—His Holiness Pope Pius appealed to newspapers to-day to tell the truth, asserting that incorrect information was comparable to the destruction caused by armoured cars and bombers.

"The tongue has killed more people than the sword," he added.

## Nazi Pilot Captured By Woman

### Drama In English Country Lane

LONDON, Aug. 7 (Reuter).—A German airman, who is thought to have landed by parachute and who had been at large for about 11 days, was captured to-day in the Bristol area. He surrendered to a woman motorist who noticed his unusual appearance.

It is thought that he may have baled out after his machine was hit.

### Walks Out Of Wood

It later transpired that he was captured by Lady Buckland, widow of Lord Buckland. The airman emerged from a wood looking very dishevelled and could only speak a few words of English.

He indicated by a dumb show how he had baled out of his plane and that he was afraid to surrender because he expected to be killed immediately. It also transpired that the authorities have also arrested two other airman who had baled out of a plane, and had been searching for this man for the past nine days.

Chinese sources reported last night that Generalissimo Chiang Kai-shek has concentrated some twenty divisions of troops under General Li Chung-jen on the Yunnan-Indo China frontier.

It will be recalled that The Chinese Foreign Minister, Mr. Wang Chung-hui, last week warned the French authorities that China would be forced to adopt "certain measures" in the event of enemy troops being permitted to land in Indo China.

Demobilisation Leases  
Demobilisation of French and colonial troops in Indo China has ceased on instructions from the new Governor-General, Admiral Decoux, who is concurrently Commander-in-Chief of the French Asiatic Squadron.

Although the French army and naval forces in the Far East are not considerable, France is believed to possess a goodly number of submarines, which are stated to be based at Camn-Rahn Bay. In the event of hostilities, the Japanese Navy would thus meet submarines for the first time in Japan's naval history.

It appeared this morning that shipping between Hongkong and French Indo China, which temporarily ceased last week because of the Japanese refusal to permit British ships to load or unload, has returned to normal. British ships are stated to be sailing on schedule for Indo China ports.

Official In Hongkong  
Some interest has arisen locally at the recent arrival here of Commandante Castex, who is stated to be representing the Governor General of Indo-China. The "Telegraph" learns that Commandante Castex has conferred with British officials, including the G.O.C. British Troops, during his stay here.

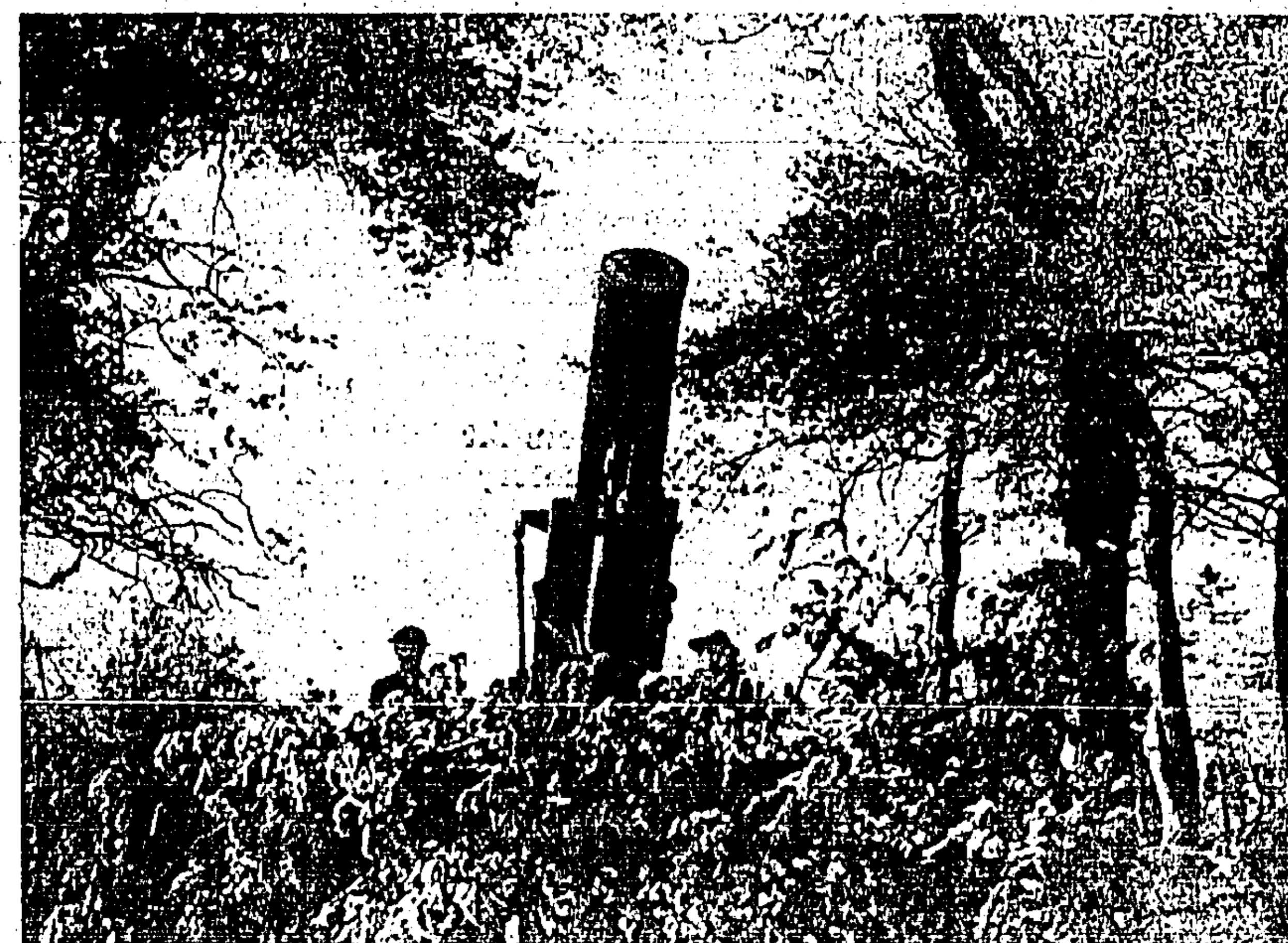
Grow Calls On Matsuoaka  
SPECIAL TO THE "TELEGRAPH"  
TOKYO, Aug. 8 (Domei).—The United States Ambassador, Mr. Joseph Grew, called on the Foreign Minister, Mr. Yosuke Matsuoaka, at 5 o'clock on Wednesday.

It was understood that Mr. Grew questioned the Foreign Minister about foreign Press reports regarding the Franco-Japanese negotiations on the French Indo-China situation. The Foreign Minister pointed out that the Press reports were "utterly inaccurate."

The Ambassador's move is believed to be indicative of the United States concern over the possible developments in French Indo-China.

OTTAWA, Aug. 7 (Reuter).—The Canadian Parliament which has been in session since May 10 has been adjourned till November 5.

## BRITAIN'S BIG GUNS READY FOR NAZIS



An imposing study of heavy artillery "somewhere in England" indicating the ever watchful eyes of our gunners. These men are always at their posts ready for any eventuality. Should necessity arise these monster guns will inflict devastating damage on the enemy.

## Spain's Threat To Britain

SPECIAL TO THE "TELEGRAPH"

MADRID, Aug. 7, (UP).—The Fascist newspaper "Arriba" declared to-day that Spain was "physically on the verge of battle" against Great Britain. "Spain is a moral beligerent," it declared. Britain is the direct violator of our destiny. "We cannot overlook her armed forces menacing the integrity of our territory."

## ITALIANS FORCING THE PACE

### British Retire From Three Towns

CAIRO, Aug. 7 (Reuter).—A communique issued to-day states that on August 5 an Italian column entered Zeila unopposed. On the same day Hargeisa was captured by a strong force which included tanks, artillery, machine-guns and aircraft.

Our delaying force fell back after inflicting severe casualties, including three tanks.

Our casualties were slight. On the morning of August 6, Odweina was occupied by the enemy with infantry, guns and armoured fighting vehicles at 8 p.m.

A small motorised force of the Somaliand Camel corps harassed the enemy, themselves suffering no loss.

Palestine Warfare  
As regards Palestine, enemy aircraft again raided Haifa on the morning of August 6. A number of bombs were dropped, nearly all of which fell harmlessly in the sea or on waste ground in the town.

Military casualties were nil. Civilian casualties were under ten.

Anti-aircraft defences came quickly into action and opened a heavy fire on the raiders.

On the Western Desert, some enemy movements are reported. Otherwise all is quiet.

ITALIANS BOMB WAJIR  
NAIROBI, Aug. 7 (Reuter).—To-day's communique states: "Yesterday two enemy aircraft bombed Wajir without success. They were pursued by our fighter aircraft. Hits were registered on one enemy machine. Both escaped in the clouds."

## PASSENGER SHIP TORPEDOED: NO U-BOAT WARNING

SPECIAL TO THE "TELEGRAPH"  
LONDON, Aug. 7 (UP).—The 9,337-ton Elder Dempster motor-ship Accra was torpedoed off the Irish Coast on July 25 whilst leading a convoy, it has just been revealed in London. Eight passengers and nine members of the crew are missing.

The Accra, which was launched in 1926, has normal accommodation for 400 passengers and 160 crew. It is authoritatively learned she did not carry any children.

Survivors state that there was no panic, although one lifeboat capsized and a raft turned over.

The submarine fired without warning and she was not sighted at any time during the sinking.

Sank in 30 Minutes  
The Accra sank in about 30 minutes, going down by the stern with her Ensign flying.

Most of the lives were lost when the motor lifeboat capsized. A member of the crew said: "I saw the Captain picked up."

Herbert Enright, a steward, said: "I had just finished serving coffee after luncheon when the torpedo hit us."

"I was on the Lusitania in the last war when she was torpedoed, and this is the third time I have been torpedoed in this war."

"The passengers and crew behaved wonderfully, but nobody had any time to collect their belongings."

"I understand the submarine was sunk a few hours later."

The Accra is well known on the African coast and has been engaged in the Liverpool-West Africa service.

One of our aircraft is missing.

LONDON, Aug. 7 (Reuter).—Sir Kenneth Lee, Director-General of the Ministry of Information, has resigned and is succeeded by Sir Frank Pick, formerly a member of the London Passenger Transport Board.

## WAR GUILT TRIAL

### French Ex-Ministers To Be Indicted

LONDON, Aug. 7 (Reuter).—"Reuter" learns that the Supreme Court to try the men regarded as responsible for the declaration and conduct of the war opens to-morrow at Riom, ten miles to the north of Clermont-Ferrand.

There is apparently at present no official list of the accused but M. Daladier, M. Mandel, M. Compinch and M. Delbos, who went to Casablanca after the armistice was asked for, will be closely questioned.

M. Daladier, who was Prime Minister of France when war was declared is now at Orange under a Police guard awaiting instructions.

The Central Figure  
M. Mandel is the only one of the four who is kept under close arrest and is likely to be the central figure of the trials. M. Mandel never concealed the fact that he is a Jew and in December, 1939, he refused to attend a State reception in honour of Herr von Ribbentrop who had just signed a pact of eternal peace between France and Germany.

To-morrow's proceedings are expected to be purely formal.

Thereafter, "witnesses" will be examined and individual indictments framed.

See Back Page For Further Late News

Where Is Belgian Government?  
LONDON, Aug. 7 (Reuter).—In the House of Commons to-day, Mr. R. Butler, the Under-Secretary for Foreign Affairs, was asked for information on the present whereabouts and attitude of the Belgian Government.

Mr. Butler told the House that Lord Halifax was awaiting to-day information. In the meantime he preferred not to give a detailed reply.

Quake Reported In Iran  
SPECIAL TO THE "TELEGRAPH"  
TEHERAN, Aug. 7 (Domei).—Reports trickling from Teheran and Haidari in northeastern Iran said that a severe earthquake occurred there, causing considerable damage. No loss of lives was reported.

ITALIANS BOMB WAJIR  
NAIROBI, Aug. 7 (Reuter).—To-day's communique states: "Yesterday two enemy aircraft bombed Wajir without success. They were pursued by our fighter aircraft. Hits were registered on one enemy machine. Both escaped in the clouds."

LONDON, Aug. 7 (Reuter).—Sir Kenneth Lee, Director-General of the Ministry of Information, has resigned and is succeeded by Sir Frank Pick, formerly a member of the London Passenger Transport Board.

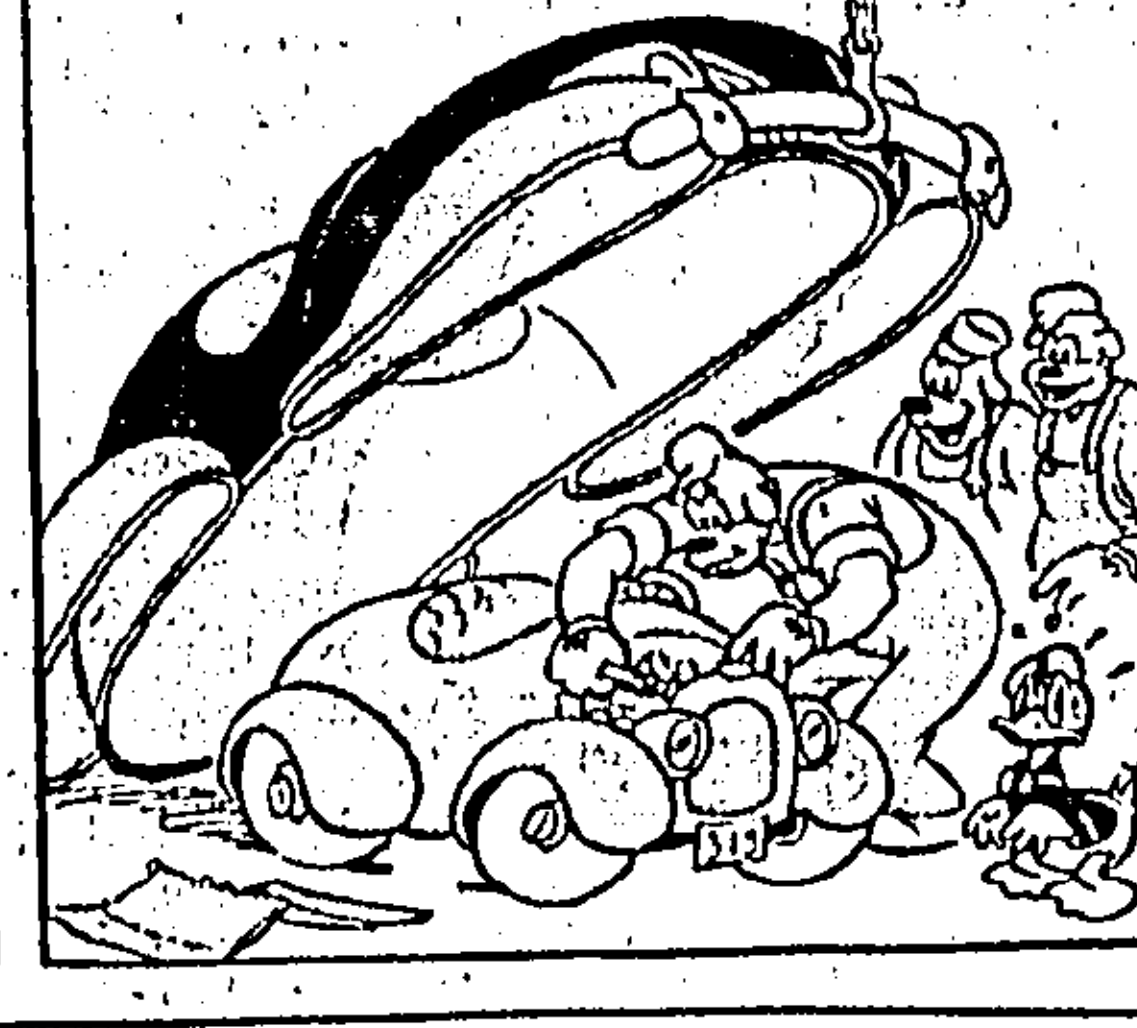
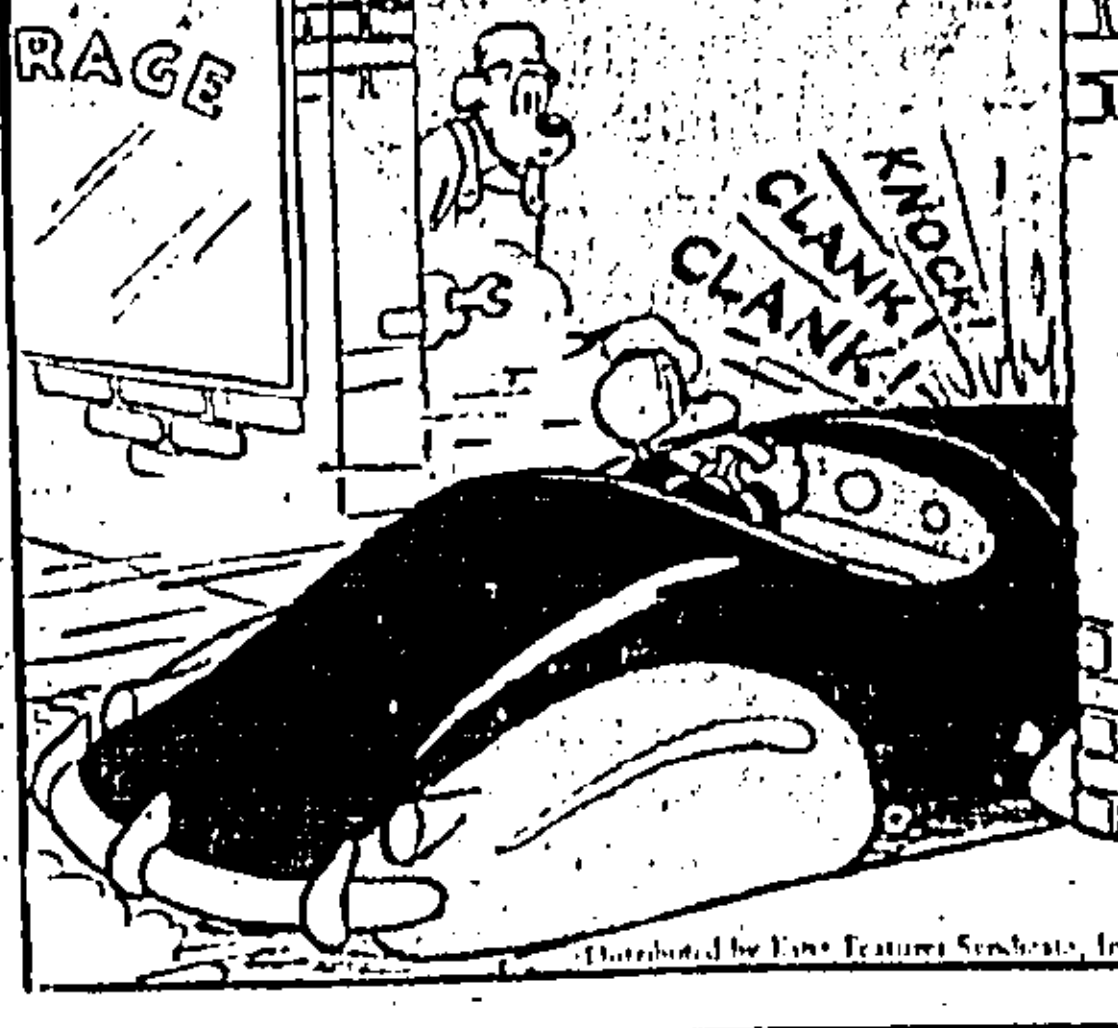
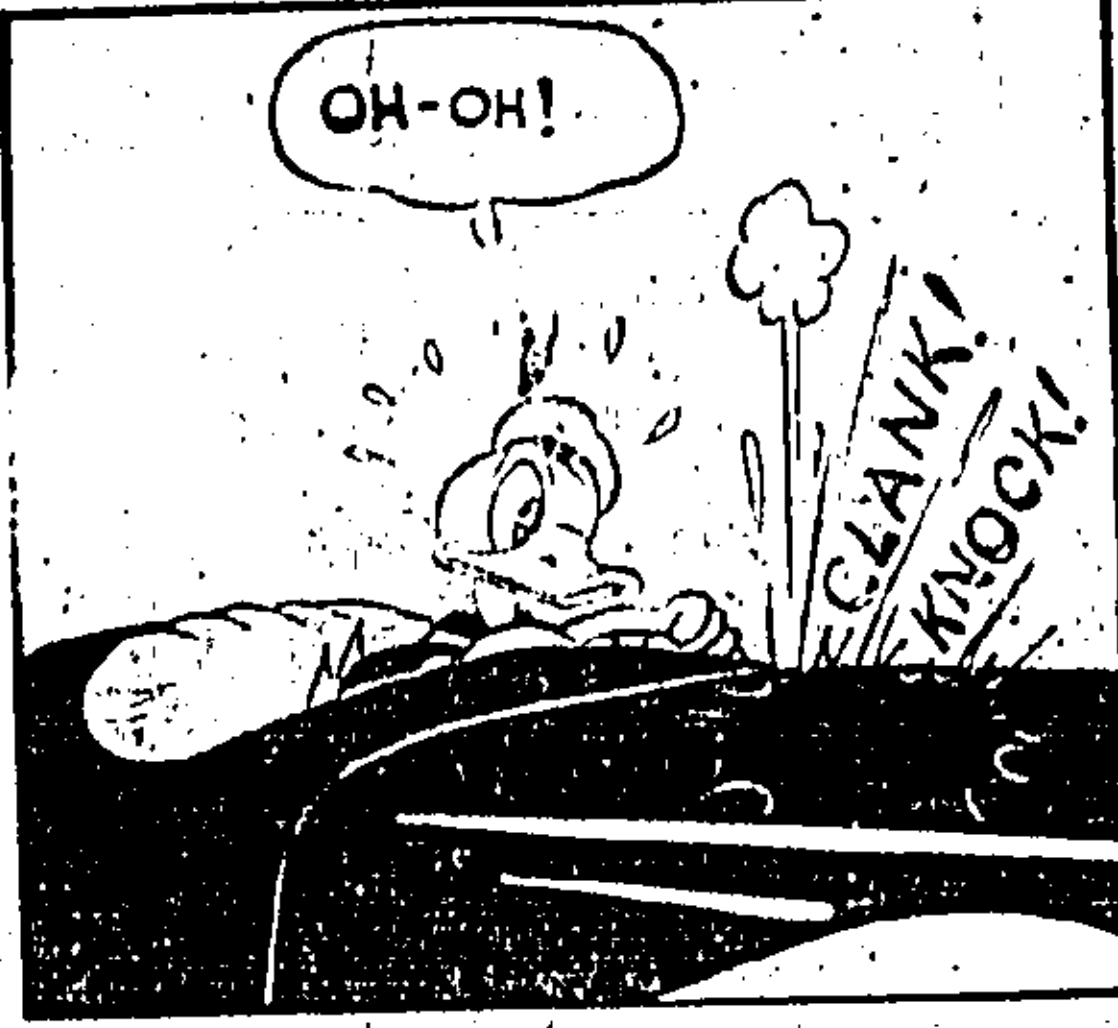
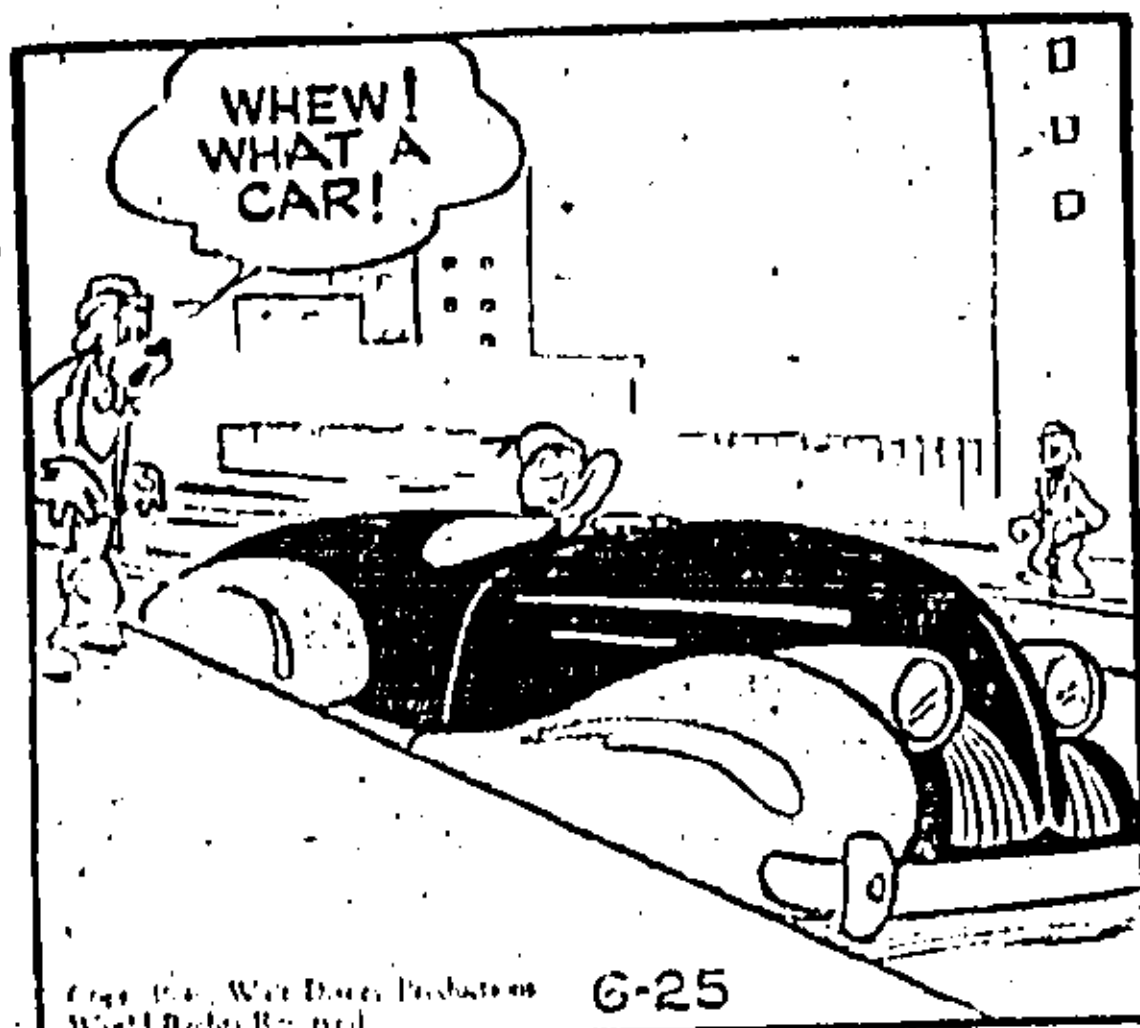






# DONALD DUCK

By Walt Disney



**OSBORN'S**  
CELEBRATED  
**PATUM PEPERIUM**  
THE GENTLEMEN'S RELISH.  
\$1.50 per jar.  
\$4.35 per 3 jars.  
HIGHLY RECOMMENDED FOR TOAST,  
CRISPBREAD, BISCUITS, ETC.  
**LANE, CRAWFORD, LTD.**  
TEL. 28151

## MAGAZINE PAGE



### MEDITERRANEAN WAR MAP

THIS map shows the area of Europe and Africa affected by the entry of Italy into the war on Germany's side.

Italy has, as the map shows, many possible directions for her initial attacks, but whatever she undertakes will obviously fall into the pattern of German strategy.

Recent Italian claims have demanded Gibraltar, Malta, Suez and Palestine from the British. These may forecast attacks by air and sea. Suez and Palestine are within range of the strong Italian bases in the Dodecanese Islands.

Malta has the fortified Italian base of Pantelleria Island as close neighbour. Gibraltar would only be in

immediate danger if Spain decided to join with Italy and Germany. In that case the Spanish Balearic Islands in the western Mediterranean would provide valuable bases to the enemy.

Other land operations Italy might undertake in Europe could be attacks from Albania on Yugoslavia and Greece. The former would affect the whole balance of power in the Balkans and might in turn involve Russia in some protective-pro-Slav action.

The latter would be made with the object of securing the Greek seaports against possible Allied footholds. These

ports would at the same time offer bases from which to interfere with sea communications—especially with Turkey.

Italian action from her African possessions of Libya, Eritrea and Abyssinia would from the start be handicapped by the impossibility of maintaining supplies by sea; for in any Mediterranean operations the Italians must reckon with British naval superiority.

One thing is clear; if Italy enters this war with Germany she will be the one certain loser. A German victory will leave Italy as much in a state of vassalage to Hitler as it would Britain and France, and from an Allied victory Italy could expect scant mercy.

### Footnotes to History

Armored warships have so completely revolutionized naval warfare that the general American reader, knowing the importance of the invention, but lacking knowledge of its true birth, is filled with pride in the feeling that for the first time in history ironclads were used in the struggle to preserve the Union. The bloodless battle between the Monitor and the Merrimac, off Hampton Roads on March 9, 1862, is pointed out as the inauguration of the use of ironclad vessels.

This is not the precise truth. For, in 1855, during the Crimean War, Capt. Cowper Coles of the Royal Navy had ingeniously out-fitted a raft with iron-plated protection, and boasting a revolving 32-pounder that rotated without the use of spikes or tackle. The experiment had been born as a result of the hot fire of the Russian guns defending Sebastopol, but never went beyond the embryo stage.

In the summer of 1861, the Confederate engineers raised a sunken Federal frigate, the Merrimac, the after cutting it down to the hull, dressed it in iron plates. This apparent freak created havoc among the Union flotilla, threatening to annihilate the entire fleet. But the following spring, Capt. John Ericsson, a Union engineer, constructed the ironclad Monitor as a counter-weapon.

The subsequent battle was indecisive except for the fact that it halted the destruction of the Northern armada by the South. Its greater significance lies in the fact that it ushered in a new era of naval fighting, that of the steel battleship, and sounded the knell of wooden warfare.

### Daily Quotation

THE ELECT are those who put life into one, who give courage to the faint-hearted; hope out of their own heart's consistency.—LADY RITCHIE.

without prospects and scarcely able to scrape together a living. At twenty-eight, he was a millionaire. At thirty-eight, he retired from money-making, resigning all directorships and, later, passing over the controlling interest of the Daily Express to his eldest son.

How did he do it? He became secretary to a man with great commercial interests, won his employer's confidence by demonstrating a gift for salesmanship and a brilliant trading instinct. Soon, he was handling huge business deals.

He established himself in Montreal as an independent financial source, put through some of the greatest industrial consolidations and reorganizations in the history of Canadian finance.

During one of his visits to London, in connection with financial schemes, Mr. Max Aitken renewed a friendship with a fellow-Canadian from New Brunswick, named Bonar Law. A general election was in progress.

Bonar Law, who was fighting a desperate struggle in North-west Manchester, urged Aitken to come and help him in the fight. Aitken, to the astonishment of every financial house in Canada, declared he would do more. He would fight a constituency himself. He became the candidate for Ashton-under-Lyne.

It was absurd. Aitken was a stranger to this country. His opponent was a local man. He had ten days in which to wrest the seat from the Liberals. He got in with a majority of 190.

Max Aitken settled in London. In 1911 he was knighted. In 1914, he was in London as record officer—a sort of super-publicity man—for the Canadian forces in France. In 1916, he was working hard to put out Asquith and put Lloyd George in.

Largely as a result of his and Northcliffe's efforts, the transformed War Cabinet, with Lloyd George as Prime Minister and Bonar Law as Chancellor of the Exchequer and Leader of the House, was formed. Sir Max—he had already been made a baronet—was rewarded with a peerage and became the first Baron Beaverbrook.

It was in the last year of the war that Lord Beaverbrook took over the paper with which he is associated in the minds of most people. He bought the controlling interest of the Daily Express for £17,500. (In the previous year, the paper had lost £40,000.) Beaverbrook spent hundreds of thousands of pounds, and eight years of his life, in making the paper a success. He retired from management (theoretically) in 1929. In the Express office to-day, "the Beaver," as he is universally known in Fleet Street, is officially Daily Express Reader No. 1.

He also remains the No. 1 contributor. In its columns he

### HERE IS A FOOTBALL POSER



FOUR teams—the Lions, the Tigers, the Panthers and the Bears—formed a miniature football league. Each team played one match against each of the other three, two points being awarded for a win and one point for a draw.

Eleven goals in all were scored, five of them by the Lions. In their match against the Bears, the Lions won by two goals to one.

The Tigers amassed five points in all; the Lions, three points; the Bears, one point.

What was the score in the game between the Bears and the Tigers?

### SOLUTION

The Tigers beat the Bears 1-0.

This is a problem in deduction. 1.—It will be found that the Tigers must have won against the Lions; otherwise more than 11 goals are required.

2.—Also all the Panthers matches must have been pointless draws.

3.—One goal is left unaccounted for, and since the Tigers won their third game, the result must have been as above.

launched the abortive Empire crusade, which resulted in Mr. Baldwin's plaint that Lord Beaverbrook had a "personal vendetta" against him.

In its headlines, he assured his readers that there would be "no war this year or next year." And since the war started his pen has been hard at work. Beaverbrook has often been wrong, but he has never been beaten. At the age of sixty-one this month, he tackles the job of his career. We may all be thankful that he has agreed to do so.

### BRITAIN'S LEADERS: No. 2

#### MINISTER FOR AIRCRAFT PRODUCTION:

## LORD BEAVERBROOK

THE new Government has only one Member who, in public life, has inflamed more controversies and fanned more feuds than its Prime Minister.

He is the man whom Mr. Churchill chose as Britain's first Minister for Aircraft Production. It wanted a war to make Churchill Prime Minister; it needed a Churchill to coax Lord Beaverbrook off the front page of the Daily Express and to harness the resources of that human power station to the machinery of government again.

In accepting office, Lord Beaverbrook becomes the only member of the new Government who shares with Mr. Churchill the distinction of having held important ministerial rank in the Coalition which led us to victory in the last war.

Towards the end of 1917, Lloyd George invited Beaverbrook to become the first Minister of Information. But those who hoped that Beaverbrook would become Minister of Information again were disappointed. At the outbreak of war he let it be known that, if the post were offered to him, he would refuse it.

It was thought to be Lord Beaverbrook's intention to refuse Government office altogether. Instead, Mr. Churchill has persuaded him to accept an appointment in which success is as vital to our war effort as Lloyd George's appointment to the Ministry of Munitions in the last war.



Most unexpected, most impressive of Mr. Churchill's Cabinet changes was the appointment of Lord Beaverbrook as Minister for Aircraft Production.

Now, the astonishing genius which transformed the penniless son of a Presbyterian minister into a millionaire at twenty-eight, established an unknown Canadian as a dominating figure in politics in his early thirties, and boosted a derelict newspaper into a position of world importance in its proprietor's middle life, is devoting its powers to the immense and momentous task of giving the Allies numerical superiority in the air.

Deliveries from the United States have fallen short of hopes. The

Beaverbrook press—which, officially, Lord Beaverbrook no longer owns, and with the views of which, Lord Beaverbrook does not necessarily agree—has been campaigning the Government to depend not on America, but on increasing the production of our own aircraft factories in this country. Now it is Beaverbrook's job to answer their demand.

His first aim in life—when he was Mr. William Maxwell Aitken, the sixth son of an evangelical minister, with fiery faith and limited income, in New Brunswick, Canada—was to make money. At twenty, he was penniless,

### Whiteaway's GREAT SUMMER



#### NOW PROCEEDING

IN TIMES LIKE THESE YOU NEED GOOD BARGAINS TO BRIGHTEN YOU UP—COME IN AND ENJOY YOURSELF AT WHITEAWAY'S SUMMER SALE.

- LADIES' DRESS MATERIALS ..... from \$1 yd.
- COTTON AND LINEN DRESSES ..... from \$3 ea.
- PURE LINEN SUITS ..... from \$7.50.
- ALL COSTUME JEWELLERY ..... less 25%.
- CORSETS ..... from \$3. HATS ..... \$2, \$3 & \$5 ea.
- ALADDIN SILK STOCKINGS ..... \$2.50 pr.
- LADIES' TENNIS SHOES ..... from \$1 - \$2.95 pr.
- DRESS FLOWERS ..... less 25%. GLOVES ..... \$1 pr.
- SHORTS & SLACKS ..... \$5 pr.
- CHILDREN'S DRESSES (Amor. made. All sizes) ..... \$5.
- LADIES' LOCKNIT KNICKERS ..... \$1.50.
- LACE TRIMMED LOCKNIT VESTS ..... \$2.25.
- CUSSON'S ASST'D TOILET SOAP ..... 5 for \$1.
- FACE FLANNELS ..... 3 for \$1 and 4 for \$1.
- NAIL BRUSHES .. 2 for \$1. TOOTHBRUSHES .. 40c. ea.
- TALCUM POWDER, large tin ..... 60c.

### Whiteaway, Laidlaw & Co., Ltd.

Get Kotex today!

Learn what real comfort means. For Kotex has soft folded centers—flat, tapered ends and moisture-resistant "safety panels". Regular... Junior... Super

"You scarcely know you're wearing it!"

### Passport Photos Executed Promptly

#### MEE CHEUNG PHOTOGRAPHERS

15, 23, Ice-House Street; Tel. 26379





## WATSON'S Borated TALCUM POWDER

IN TWO DELIGHTFUL  
FRAGRANCES  
**LAVENDER  
OR  
ROSE**

WITH MILD ANTISEPTIC QUALITIES  
—FULFILLING ALL THE REQUIRE-  
MENTS OF A TOILET POWDER  
FOR GENERAL AND NURSERY USE.

IN LARGE SPRINKLER-TOP  
CARTONS ..... 80 cts.  
REFILLS ..... 60 cts.

**THE HONGKONG DISPENSARY**  
A. S. WATSON & CO., LTD. TEL. 20016.

## JUST ARRIVED NEW "H. M. V." RECORDINGS

- BD 820 Pinocchio-Selection. Reginald Foort (Organ).  
BD 830 Where or When. Pat Kirkwood.  
Oh, Johnny.  
BD 820 I've got no Strings. Pat Kirkwood.  
Three Cheers for anything.  
BD 828 It's a lovely day to-morrow. Al Bowly.  
Careless.  
B 9030 Rostin. Webster Booth.  
When you wish upon a Star.  
B 9031 A Kiss in the Dark (Herbert). Webster Booth.  
Indian Summer.  
B 9032 Someday (Victor Herbert). Allan Jones.  
Thine Alone (Victor Herbert).  
J.O.5 Mala Junta-Tango. Argentin Orchestra.  
La Tablada-Tango.  
J.O.2 Chagrin D'amour-Tango. Mario Meln' Orchestra.  
Tango Chinois.  
J.O.4 Elegante Papiruse-Tango. Argentin Orchestra.  
Malinconia-Tango.

**S. MOUTRIE & CO., LTD.**  
York Bldg. Tel. 20527. Chater Road.



- 1 Beautify Your Home
- 2 Make Housework Easy
- 3 Protect Floors, Furni-  
ture and Woodwork

with

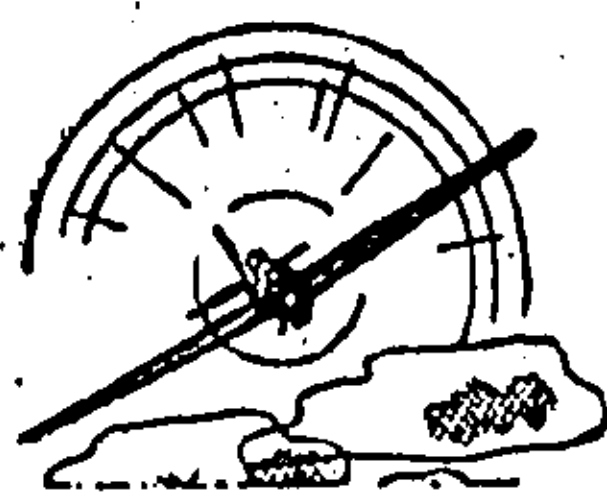
## JOHNSON'S WAX POLISH

The world's finest polish...  
yet economical to use! That  
is why fastidious housewives  
use only famous JOHNSON'S  
WAX. Gives exquisite  
beauty, protects against wear,  
makes cleaning easy. For  
floors, furniture, woodwork,  
leather goods, etc.



Made by S. C. JOHNSON & SON, INC.  
RACINE, WISCONSIN, U. S. A.

## "GRADUATE IN THE AIR"



The school provides the finest and  
most complete training in all flying  
subjects. Be taught by men who  
are not merely ordinary pilots or  
engineers but who are professional  
instructors, whose business is  
teaching.

BE TAUGHT AVIATION BY EXPERTS

AT

## HONG KONG AIR UNIVERSITY

For Prospectus apply

**FAR EAST FLYING TRAINING SCHOOL LTD.**

(Contractors to the British Air Ministry and the Hong Kong Government).

KAI TAK AIRPORT HONG KONG

## Most Famous "Fourteen" in the World! VAUXHALL 14-SIX

30 m.p.g. with normal  
driving.

Successive editions of the  
Vauxhall "14" have led in their  
class since the first was intro-  
duced in 1933.

This new model has all the  
basic features that have led to  
that success, but it is more  
luxurious. It has been still  
further improved in appearance,  
riding comfort, appointments and  
so on.

If you want real luxury motor-  
ing and "big car" performance,  
at the lowest possible first cost  
and running costs, the Vauxhall  
"14" deserves your very serious  
consideration.

Without obligation you will  
be given a demonstration.

**HONGKONG HOTEL  
GARAGE**

Stubbs Road Tel. 27778-9

## The Hongkong Telegraph

Thursday, August 8, 1940.  
Wyndham St., Hongkong  
Telephone: 26015

THE prefix "Special to the Telegraph"  
is used by the "Hongkong Telegraph"  
to indicate news which is strictly copyright  
under the provisions of the Telecommuni-  
cations Ordinance, 1934. Such news as  
bears the indication "S.T." is received in  
Hongkong on the date of publication by  
the United Press Association, who re-  
serve all rights and forbid republication,  
either wholly or in part without previous  
arrangement.

## SOMETHING TO THINK ABOUT

Japan has apparently decided on a  
change in policy and is contemplat-  
ing action which she feels will  
realise her aims. One naturally asks  
what are the prospects for her in  
this quest for hegemony in Asia.  
She starts off with a comparatively  
empty treasury and facing an em-  
bargo on essential materials—aviation  
spirit and scrap metal which  
hitherto she has been able to import  
from the United States, fifty-six  
per cent. of her requirements come  
from that country.

This seems to indicate that Japan's  
trade must immediately suffer eclipse  
since her merchantships could hardly  
export to trade with Europe, India  
or Australia on anything like the  
same scale. Japan more than any  
other nation depends on trade for  
her internal economy. Unlike China  
she is not self-supporting, and she  
cannot divert the materials she re-  
quires from China, now so bitterly  
hostile.

Japan's greatest anxiety must be  
her precarious position in China,  
where she can neither complete her  
task of conquest, nor gracefully  
withdraw from the unhappy adven-  
ture. The more anxiety she displays  
in trying to conciliate China the  
more she acknowledges her own  
weakness. Japan cannot hope to  
win over China to her side after the  
way she has mercilessly and ruth-  
lessly destroyed her cities, and  
rendered millions homeless.

It is the business of statesmen to  
envisage the future, and the wisest  
of them are those who take into their  
purview the numerous factors which  
are at work moulding that future.  
If an important element is omitted,  
then the policy which is followed  
leads not to good fortune but disas-  
ter. The factor which Japan cannot  
ignore in the estimate they make is  
the policy of the United States. So  
far they know that the United States  
will not view with indifference any  
alteration in the status quo of the  
Netherlands. Mr. Cordell Hull the  
Secretary of State, has made that  
statement and has not retracted it.

There is no reason to suppose that  
Germany or Italy would allow Japan  
to retain any conquests if they were  
successful in Europe, and certainly  
she could not hold them if they were  
not successful. What must give  
Japan further cause for fear is the  
fact that Germany's much vaunted  
attack on Great Britain has not  
materialised, and so much was the  
situation changed that such an at-  
tempt at landing would now be  
almost welcomed in the British as it  
would give the army of the Empire  
an opportunity which it really seeks.

Britain's sea power is unquestioned  
and is growing stronger, and at the  
end of the war will be of enormous  
strength; for quite clearly the Italian  
fleet cannot destroy it and the Ger-  
mans have not the means of doing  
so. That is the first reason for the  
delay in the "blitzkrieg". The second  
is the destructive power of the  
British Air Force, which is relent-  
lessly day and night demolishing

DEAR JOHN,

NOW that normal life is  
about to be interrupted  
and neither of us can  
be sure when or where we  
shall next meet, there are  
one or two things I feel I  
should like to say to you.

We are both fortunate that you  
are still at school while the world is  
occupied in turning itself upside  
down. When the time comes for it  
to right itself again, you will have  
a tremendous part to play—however  
small, it will be tremendous. Seeing  
what a mess my generation seems  
to have made of its job (although  
the fact that 50 nations joined in  
sanctions against Italy in 1935 shows  
how near we got to our goal of  
abolishing war), we haven't the right  
to tell yours anything; you must find  
out for yourselves.



Historically, my generation doesn't  
matter in the slightest any more.  
We are the past. You are the future.  
The qualities you will most  
need in the next few years are self-  
reliance and adaptability. The  
world you are growing up into will  
be a very different world, and a  
hard one. It will demand discipline  
of you, and service, and I know you  
will give them, because I have noted  
the beginning of a new spirit moving  
in you and your friends.

I was born just too soon to avoid  
expecting a measure of certainty  
from life—peace, social stability,  
even a degree of enjoyment seemed  
a part of one's birthright. You will  
at least not make that mistake! And  
if by any chance these things are  
added to you all the more precious  
for not having been expected.

What a situation! And yet do you  
know, at this moment when our  
country is in acute peril I don't feel  
despondent, I actually feel excited,  
even elated. So much that has been  
rotten for so long and seemed to be  
indestructibly entrenched is about to  
be consigned to the rubbish heap.  
The very pace of this catastrophe is  
a reassurance.

With what astonishing rapidity  
things that seemed part of the regu-  
lar pattern of our lives have sudden-  
ly become meaningless. I took Peter  
for a walk on the hills yesterday.  
You know how beautifully careful  
we have always been in this little  
feudal corner of England to conform  
with the social code and to keep  
Peter on the leash going through the  
pleasant woods? Well, yesterday  
when I got to the woods something  
went snip, and I let him off.

Suddenly the pheasants, and his  
Lordship, and the whole elaborate

# LETTER TO MY SON

ramshackle structure for which they  
stand, seemed supremely comic and  
irrelevant. Away went Peter, put-  
ting up those ridiculous birds like a  
lot of scandalised readers of  
"Punch," and away went the social  
order! I haven't felt so carefree for  
months!

But that is only one small bit of  
it, and perhaps not a particularly  
edifying bit. One's personal emo-  
tional releases are not important  
these days. It seems to me that,  
black as things are for us now, and  
whatever the immediate outcome,  
the prospects for the world are by  
no means hopeless.

Though we are engulfed in the  
greatest war in history I feel posi-  
tively optimistic about possibilities  
of abolishing wars in the future.  
Seeing that I have already been  
through one war to end war, does  
that sound mad? Some of the fac-  
tors of current weakness in the de-  
mocracies may themselves actually  
be symptoms of a better order  
emerging.



ONE of the things that has so de-  
pressed us has been the reluctance  
of the free democracies to prepare  
themselves for defence and (so far  
as the small ones were concerned)  
to fight for their freedom when the  
time came.

But growing detestation of war,  
bred from their experience of the  
sufferings and futility of the last one  
(and coupled with the tremendous  
change in outlook brought about by  
the growing ease of communications,  
which makes national boundaries  
look silly) has set in motion some-  
thing historic.

Peoples have begun to question  
whether national sovereignty is any  
longer the supremely important thing  
it was. Hence their half-hearted-  
ness about its defence. I say "be-  
cause" it was, at the time it  
was caught, only a partially-  
formed, almost sub-conscious idea.  
This gave brute force its chance.  
But the tendency is good.

The small Powers have been  
caught midway in a tremendous  
political movement—but the end of  
the movement, don't you see, is  
Federation. What, for the moment,  
has proved a decisive weakness con-  
firms—the seeds of strength—and  
sanity. And it will develop.

Then again, the whole character  
of warfare is changing. In the old  
days soldiers manning the front line  
were sustained with the knowledge  
that they were protecting their wives  
and children. To-day they have no  
such certainty. While they are busy  
in the line their wives and children  
may be bombed to smithereens be-  
hind their backs. That makes a tre-  
mendous psychological difference—  
and it's not a difference that favours  
the survival of war.



THERE'S another thing, too.  
We have all heard people pro-  
testing against the savage dis-  
regard of the "rules" of war-  
fare.

There aren't any rules of warfare:  
war is a breakdown of rules. For a  
period of history (in the seven-  
teenth and eighteenth centuries pre-  
eminently) monarchs waging war on  
one another agreed on certain rules  
of war because it was necessary for  
them, in the midst of their aggran-  
disements, to avoid a disturbance of  
the social order from which they  
derived their privilege: upset it, and  
they were gone.

But revolutionary wars are dif-  
ferent—and this is a revolutionary  
war. Hitler doesn't give a damn  
about upsetting the social order in  
the democracies—in fact, he has ad-  
vertised that it is one of the things  
he is after. When we have got it  
into our heads that this war is only  
an military manifestation of a vast  
social, economic and political up-  
heaval that is shaking and remould-  
ing the whole world we shall feel  
better about it—and we shall stop  
talking nonsense about "rules." (And  
after all, even the Nazis have been  
ruthless to a plan.)

Our country is about to undergo  
sufferings more terrible and wide-  
spread than any that have happened  
to it since the Black Death, but  
don't let us flatter ourselves that  
even if all of us and of our order  
went down in ruin Freedom would  
perish from the earth. Freedom  
will not oblige the Dictators by  
doing any such thing. It is of far  
too deep and sturdy a growth for  
that—and my generation, though we  
have talked and written so much  
about preserving it (and, to do us  
justice, have even done our spot of  
fighting for it)—are certainly not its  
last and only guardians.

Besides don't forget our talks  
about what Freedom is. It is by no  
means the same thing for you and  
me as it is for Clegg, the road-  
mender, or for the miners' sons you  
were in camp with last summer.  
There must be suffering and dark-  
ness first, but out of the new free-  
dom will spring, and a better freedom.  
Revolution is always cruel, but it is  
seldom barren.

And the suffering and darkness  
are probably necessary now. We  
have earned them with our indol-  
ence. You know the tag about a  
people, getting the Government it  
deserves. I have never thought that  
true; but if one were to judge the  
democracies by their rulers, one  
would certainly have to call them  
effete. Complacent, unimaginative,  
indifferent to suffering at home or  
outside—too comfortable, in fact.

Our rulers have foreseen nothing.  
To-day France and ourselves are  
calling on America. Yesterday  
China, Abyssinia, Spain, Czecho-  
slovakia called on us—and got no  
answer. We are left to fight alone  
now because we would not fight to-  
gether when we had the chance and  
the duty. All the democracies have  
let down all the other democracies:  
the only thing they have done col-  
lectively is to suffer from a common  
atrophy of will.

The decent people of this island  
don't deserve such rulers—though,  
perhaps, some of us who saw what  
was happening and tried to say so  
were not faithful enough in our pro-  
tests: when normal channels of pub-  
licity proved insufficient we didn't  
throw up our job and go out into the  
streets and factories to agitate and  
organise.



WELL, now—whatever hap-  
pens—there is going to be a  
radical change. Good-bye to all  
that. And this it is that fills  
me with hope and even a kind  
of joy, though I suppose we are  
about to see the end of many  
things that I personally treas-  
ure.

We have often agreed that this is  
a war of ideas, but so far all the  
ideas have been on the other side.  
That is why the other side has out-  
marshalled us at every point in the  
game. There has been no inspira-  
tion here—and, since Munich, too  
little conviction.

Well, now it is the people's turn.  
What we need to arm ourselves with  
in this country to-day is not only  
guns but brooms. And when both  
the guns and brooms have done  
their job, you and your friends can  
get busy on the site that has been  
cleared and start building a new  
world.

I hope you'll do well in the swim-  
ming next Saturday.

Your affectionate  
**FATHER.**

## Will America Come In?

THE American Institute of  
Public Opinion has over  
the past months been taking  
a census of American opinion  
on the question: Do you think  
the United States will go into  
the war in Europe or do you  
think we will stay out of the  
war?

The trend of American  
opinion has been as follows:  
U.S. will go in stay out  
October 1939 46 p.c. 54 p.c.  
February 1940 32 p.c. 68 p.c.  
May 1940 51 p.c. 49 p.c.

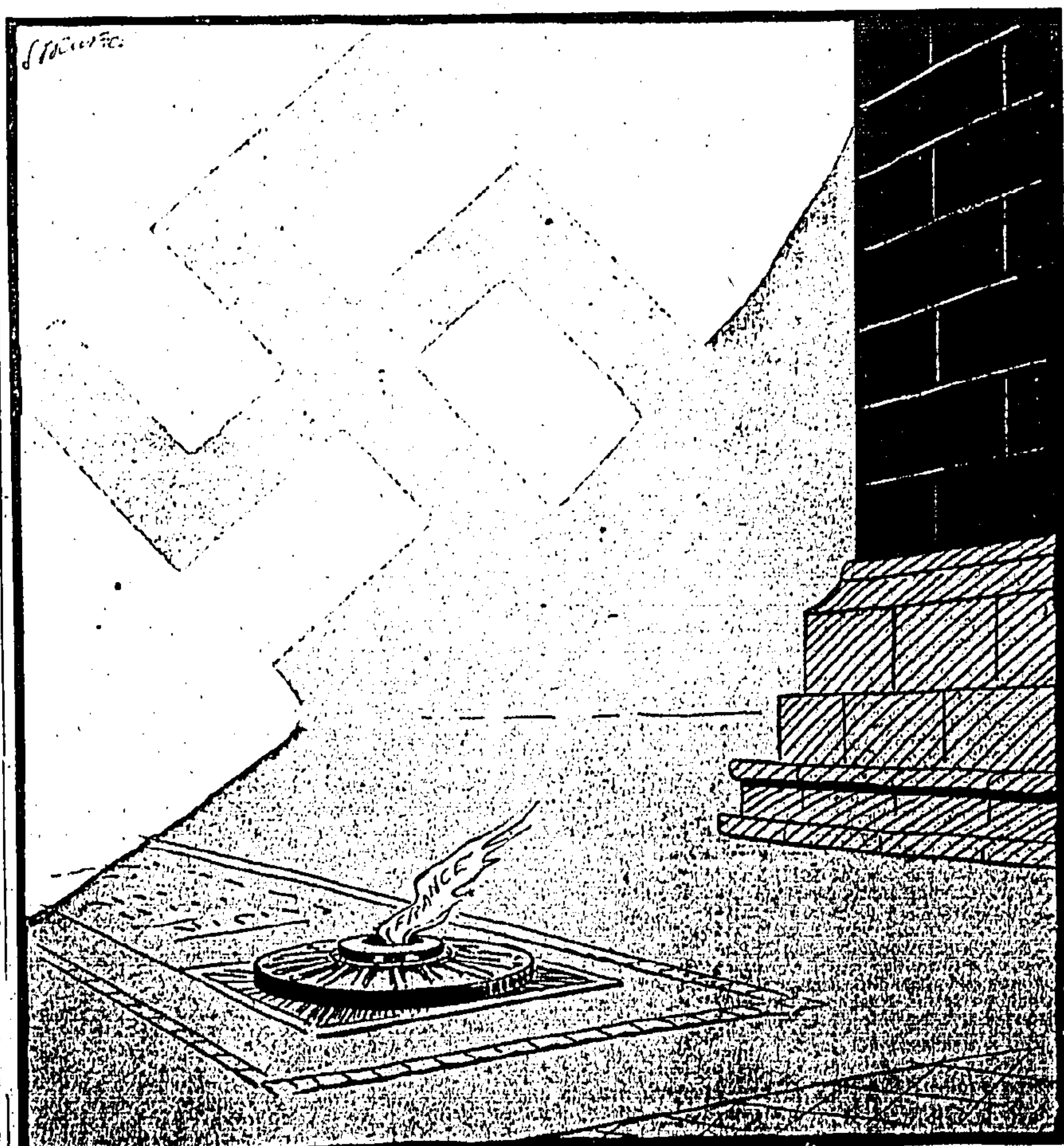
The questions for the May  
result were asked after May  
14, the day of the German  
break-through at Sedan.

Since the Norwegian cam-  
paign and the beginning of  
the Low Countries offensive  
there has been a sharp drop  
in the number of Americans  
who feel confident of an  
ultimate Allied victory.

Eight months ago 82 per  
cent. thought the Allies would  
win, 7 per cent. thought that  
Germany would win and 11  
per cent. held no opinion. In  
the first week of June,  
55 per cent. thought the  
Allies would win, 17 per cent.  
that Germany would win and  
28 per cent. held no opinion.

Germany's inadequate stocks of  
petrol, and at the same time making  
her ports untenable. That air force  
is not only superior in skill and  
courage, but also in quality of  
machines. These machines are being  
added to monthly by the enormous  
output in Britain, the United States  
and in Canada.

These are factors that a wise  
Japanese statesman will consider be-  
fore he embarks upon a policy which  
is fraught with such danger.



UNDYING FLAME



## TO BUY EGYPT'S COTTON

### British Government Appoints Commission

LONDON, Aug. 7 (Reuter).—The establishment of a commission with powers to purchase Egypt's cotton crop was announced by Mr. R. A. Butler, Under-Secretary for Foreign Affairs, in the House of Commons to-day.

Mr. Butler declared that anxiety had been growing for some time in Egypt regarding the disposal of the 1940 cotton crop, the picking of which was about to begin.

**Avoiding Economic Disaster**

Owing to the great reduction of the demand due to war conditions and difficulties of export, danger was imminent that the bulk would be left unsold in the hands of the cultivators, which would be an economic disaster of the first magnitude.

On representations by the Egyptian Government, the latter accordingly decided to respond by setting up a commission to purchase cotton. On this commission the Egyptian Government was being asked to nominate a representative.

This commission would be prepared before April 30, 1941, to purchase all lint and cotton derived from the 1940 Egyptian crop or as much as was offered to them and all mercantile cotton seed as distinct from sowing seed.

### Britain To Bear Cost

The British Government would bear the whole or any net loss which might arise from the transaction, but the whole would be shared equally with the Egyptian Government, any net profits which might accrue, on the understanding that such profits may be returned to the Egyptian Government under this arrangement would be used by the Government for the relief of cultivators in a manner to be agreed on between the two Governments.

Asked if the Egyptian Government, as an ally, was co-operating to the fullest extent in this matter, Mr. Butler replied: "We have taken that for granted."

## Honour For Indian Poet

SANTINIKETAN, Bengal, Aug. 7 (Reuter).—Sir Rabindranath Tagore, the 80-year-old Indian poet, received the degree of Doctor of Letters (Honoris Causa) of Oxford University at a special convocation of Oxford University to-day.

This is believed to be the first time that a special convocation was held outside of Oxford.

Sir Maurice Gwyer, the Chief Justice of India, represented Oxford University.

Sir Rabindranath, in Sanskrit, thanked Oxford University for its precious gift to him and his country.

## LOSSES ABOARD TWO TRAWLERS

LONDON, Aug. 7 (Reuter).—It is officially announced that casualties in the trawler Marsona were one officer killed, one officer and ten ratings missing, presumed killed, and six ratings wounded.

Casualties in the trawler Cape Finistere were one officer wounded, one rating killed and eight ratings wounded.

The loss of both vessels has already been announced.

### THE BIGGEST LAUGH HIT OF THIS OR ANY SEASON

**TIM'S A BIG HE MAN... HE AIN'T NO LADY** But imagine his embarrassment... HE'S GOING TO HAVE THE BABY!



Hal Roach presents

**TURNABOUT**

ADOLPHE MENJOU • CAROLE LANDIS  
JOHN HUBBARD • WILLIAM GARGAN  
VERGIE HARRIS • MARY ASTOR

**NEXT CHANGE AT THE KING'S**

## STRENGTHENING SINEWS OF WAR

### FROM PAGE ONE

communication, etc., for a considerable time. He will need to draw more and more on his reserves and the more vigorously he prosecutes the war the more rapidly his stores will disappear.

"He will find it increasingly difficult to replace the losses. Measures have been taken to ensure that Hitler shall not draw supplies from foreign sources. Not only Germany but the controlled territories will be unable to carry on trade on any scale with the outside world.

**Extensive Blockade**

"The blockade operates over a wide area which must become more and more impoverished as its trade arteries are cut. Hitler will continue to seize all food and materials he can from the over-run territory, but once he has despoiled his victims, his supplies will either cease or become less plentiful.

"Hitler boasts that he possesses unlimited quantities of iron. Iron he possesses in great quantities and he probably has no need to fear a shortage of aluminium. But his coal situation is different and his supplies henceforth will be seriously short. He may sit upon mountains of iron ore but he has not the coal wherewith to melt it, it will not be of first class military value.

"In a normal year this country exports some 30,000,000 tons of coal to the continent of Europe. None of that henceforth will fall into the hands of Germany.

"As regards oil, of 20,000,000 tons normally consumed throughout Hitler's territories per annum, he can hope to produce or procure not more than one half.

### Strain Will Be Great

"These are mere pointers to the situation in which Hitler finds himself economically. If and when the pinch comes it will sooner or later be a 100 different directions, it is more than doubtful whether the subdued people of Germany and other lands will or will not be able to stand the strain. Yet we must not for a single moment underestimate the power arrayed against us.

"The German mind and strength have been devoted to one single purpose—preparation for the strongest and most terrible fighting force the world has ever seen.

"The German economic system has been for some years on a war footing. We must remember that we have not yet felt the full brunt of Hitler's blow.

"We have proved that we are capable of becoming as efficient for war purposes as the dictator, but we are still in the process of the change-over from peace to war economy. We have got to make the best of our resources which must be directed to the national life and effort necessary for a victorious conduct of the war and the maintenance of a national spirit.

### We Intend To Win

"We intend to win this war. The Government do not intend to allow the limit of its prosecution to be anything else than the whole resources of manpower, industrial capacity, finance and foreign assets at our disposal. To achieve the maximum effort, we must plan on a strategic basis with the view the best co-ordination and co-operation of all the agencies concerned."

Mr. Greenwood then detailed the new arrangements made for consideration of a number of economic problems and co-ordination of their economic effort, saying that each of the group of problems was dealt with by a sub-committee composed of members of the War Cabinet and the ministers in charge of the departments concerned.

### Serious Problem

One of the most important factors in the effectiveness of their economic warfare was to deal with the serious problem of surplus overseas commodities in such a way as to make them an advantage to British and a disadvantage to the enemy.

The collapse of France greatly increased the difficulties of production and "we will give complete priority to those essential weapons of war which will provide maximum resistance to the enemy in the shortest space of time. There is need to keep in our minds the possibility of a long war."

"Priority has not worked as well as it should, but having had to make this great spirit for immediate war measures we are now considering further measures to ensure as far as possible that materials, plants and labour are effectively used to carry out the production programme."

### Industrial Capacity

Mr. Greenwood then dealt in detail with the industrial capacity and organisation and said that provision had also been made against the destruction of factories from the air with plans for rebuilding and for moving of reserve plants.

He recalled his statement on July 11 in the House of Commons regarding new organisation to deal with purchases in North America through the Canadian and United States channels following dissolution of the Anglo-French organisation.

The new organisation had been active at work for some weeks. The United States Government was now engaged in an effort of national rearmament and mobilising American industry for that purpose.

While, therefore, but a few months ago Britain was placing orders with American industry to supplement the deficiencies in the combined Allied production, they had now the need to embark on a much more extensive programme which must be related to the American national defence preparations.

Therefore the House would readily understand the complexity of the question involved in the task of the British Purchasing Commission in New York.

"At the same time we need both in New York and London to co-

## 865 JAPANESE IN ENGLAND

LONDON, Aug. 7 (Reuter).—The number of Japanese registered with the Police in England is 865, of whom 702 are male and 163 are female, the Under-Secretary of the Home Office, in a written reply to Lieut. Col. Sir T. Moore (Conservative) in the House of Commons to-day.

ordinate our requirements with those of India, the Dominions and our allies, who must look to us for supplies.

"The United States and Canada have been our two most important potential providers of war material."

### Safeguarding Consumption

Continuing, Mr. Greenwood said it was necessary for efficient conduct of the war that the consumption of the people should be safeguarded and unnecessary hardship avoided.

"The rise in the cost of living is less than the rise in prices generally. Our object is that prices of necessities should be kept down and we are spending considerable sums to do that."

"The policy of anchoring prices of essential commodities will be continued. We believe by these means that we shall ensure the unimpaired health of the nation."

### Not Too Rosy

"We have taken steps to increase exports and we will do everything we can properly do in that direction. But in the present circumstances, it is clear that the possibilities of increased exports are not too rosy."

"It is important that we should use foreign exchange as far as we can for the purchases of aeroplanes, munitions etc., abroad. At the same time, we need to retain a proportion of skilled labour on the production of commodities for export in order that our supplies for foreign exchange may be maintained."

"We must limit imports to things essential to the consumption and production of the war. At the moment our shipping position is not too bad. The capacity has not been very seriously impaired, but we are bound to recognise that our ports and our shipping will be among the main objectives of the enemy's attacks."

"It is prudent to plan that our country make as much as we can of those foodstuffs and materials as can be readily stored to build up our stocks against the day when our capacity to import may not be so great."

### Cannot Be Starved Out

"If the enemy hopes he can starve us out he is making a mistake. Starvation of the people of this country is impossible. Nothing could be more emphatic than that."

Concluding, Mr. Greenwood declared: "Looking ahead it might be necessary to reduce the rate of increase of commodities which are not indispensable. We must use our shipping trade for the national cause and public good."

"The House won't expect me to give exact details of the great increases in military production during recent weeks, but I can assure members that very great strides have been made in speeding up the production of aircraft and army equipment. Great strides have been made and greater strides will be made."

"There are shortages of certain materials etc., and we must reckon on difficulties arising from the bombing of factories, foundries, and shipyards, and the mining of ports and the sinking of ships."

"But in spite of all this, there is no real cause for dismay. The morale of the British people is unshakable. Germany is already largely beleaguered, and we can stretch across the seas where the treasures of the world lie and bring them to our shores, and we are assured of the active help of free peoples, and the supplies of the New World to reinforce our own efforts."

### Member's Queries

Mr. R. Shinwell (Labour) urged an exhaustive survey of the country's economic possibilities, and asked, assuming the war lasts two or three years, has the Government estimated the needs in aircraft, guns, munitions, labour, raw materials and exports? Was there a definite allocation as between actual war essentials and exports and the civilian needs, he asked.

Mr. Shinwell declared that according to a reliable estimate Germany has 780,000 men and women trained for industry, while we had 28,000 trainees and we envisaged 40,000 being trained this year.

Mr. Shinwell proceeded to talk about unemployment and under-employment in Britain, and suggested that instead of allowing miners to remain unemployed the Government might finance the building up of huge stocks of coal, or divert the miners into the war industries.

He also suggested that in order to meet a German attack on shipping, docks and harbours on the west coast should be improved and in order to develop a large export trade, manufacturers and export companies should finance it. Individual effort modified or replaced by a full-blooded system of collective production.

Mr. Shinwell added that we could not rely too much on the United States who might be embroiled in a war with Japan. It was better to assume that we must rely on ourselves and to organise accordingly.

### Not Very Convincing

Sir George Schuster (National Liberal) said that Mr. Greenwood's account was not very convincing and he urged that the first step should be to establish a central directing authority, and that we should aim with the American countries to build up a satisfactory economic regime for the war period to give the inhabitants of these countries a satisfactory basis of life and to deny to their enemies what they needed.

## Absorption Of Alsace

### Hitler Appoints An Administration

LONDON, Aug. 7 (Reuter).—Indications of Hitler's plans with regard to the absorption of Alsace-Lorraine and Luxembourg into the Reich are contained in two decrees issued by him to-day whereby the entire administration of Alsace-Lorraine and Luxembourg will, in future, be no longer independent on the Army authorities, but will be conducted by civil administrative chiefs acting immediately under Hitler.

Joseph Buerckel, Robert Wagner and Gustav Simon are appointed Gauleiters for Lorraine, Alsace and Luxembourg respectively.

Baldur von Schirach, the Hitler Youth leader, becomes Gauleiter of Vienna in place of Buerckel.

## Wins Bar To His D.F.M.

LONDON, Aug. 7 (Reuter).—Among R.A.F. awards announced to-day is a bar to the Distinguished Flying Medal to Flight Sergeant William Henry Franklin, formerly laboratory assistant in Eastern London.

Flight Sergeant Franklin has shot down ten enemy aircraft and has assisted in destroying a further two. On one occasion he encountered seven fighters. He engaged five of them and destroyed one.

## REPATRIATION OF BRITONS

LONDON, Aug. 7 (Reuter).—A Swedish steamer has arrived at a Scottish port from Helsinki, Finland, with 125 Britons, who had been interned in Sweden after being cut off between Trondheim and Narvik when the British Army was evacuated.

They are mostly troops, with a few airmen and seamen.

A further 111 are to be repatriated.

## FRENCH COLONY LAYS DOWN ARMS

SPECIAL TO THE "TELEGRAPH"—CAIRO, Aug. 7 (UP).—It is officially reported that armistice terms are under discussion regarding the fate of French Somaliland.

No details are given.

The report adds: "The effect of the collapse of French Somaliland resistance is that the French offensive from Somaliland into Ethiopia is now definitely abandoned."

Meanwhile, it is officially announced that the Government of New Caledonia has passed a resolution on June 24, reaffirming their intention of co-operating with Great Britain.

## STOCK MARKET REPORT

Hongkong Stock Exchange official summary, issued at 12.30 p.m. yesterday says: The morning's session was synonymous with the recurring decline. It was quiet.

**Buyers**  
Electrics (Old) \$30.25  
Cements \$14.50  
**Sellers**  
Lands \$2  
Cements \$15  
**Prices**  
Providents \$3.00  
Hutch \$3.10  
Trams \$15.50

## MINE-SWEEPER IS SUNK

LONDON, Aug. 7 (Reuter).—The Admiralty announces that the mine-sweeping trawler River Clyde was sunk by an enemy mine. The next-of-kin of the casualties have been informed.

## Hungary And Rumania Start Talks

## ADJUSTING RELATIONS IN THE BALKANS

LONDON, Aug. 7 (Reuter).—According to a Budapest despatch to the official German news agency, M. Bossy, the Rumanian Ambassador in Rome, has been sent to Hungary as special envoy to begin preliminary talks with the Hungarian Government.

**Envoy Arrives**

BUDAPEST, Aug. 7 (Reuter).—M. Bossy has arrived and is expected to have immediate talks with the Hungarian Prime Minister and Foreign Minister.

Despite the high hopes entertained by Hungary after Hitler's talk with the Rumanians at Berchtesgaden, many people here have little faith in the result of the negotiations which are expected to move slowly to an inconclusive end.

CHILDREN love its taste  
MOTHERS know it's safe

**CASTORIA**  
THE CHILDREN'S LAXATIVE

A pure vegetable preparation. Thorough, yet gentle in action. Will not gripe. Try it.

## Destry Of America

### Might Peacefully Inherit British Territories

Mexico City, Aug. 7. M. Leon Trotsky, interviewed to-day, expressed the opinion that the United States might well become the "legitimate inheritor" of Canada, Australia, New Zealand, and part of Latin America without firing a shot, but warned the United States that she faces an inevitable war later on with Germany and Japan.

He received the Press at the Villa Coyacan, which has been transformed into a fortress since the recent assault.

He said the United States would emerge the most imperialistic nation in world history as a result of the recent war, which was prompting the United States to unprecedented armament. A strong England might not work the best interests of the United States. The job of making England smaller was left by the United States in the hands of Germany.—United Press.

## LEAGUE PARTY CRASH

### Officials Injured When Bus Hits Pillar

Grenoble, Aug. 7. A bus carrying 40 officials of the Economic and Financial Section of the League of Nations crashed into a cement pillar and ran into a ditch a few miles from here to-day. Baroness Van Iterson and Mrs. Chapman-Lodvayns were seriously injured and 20 others less severely hurt.

The party was on its way from Geneva to Lisbon to embark for America.—United Press.

## VATICAN PACT WITH PORTUGAL

LONDON, Aug. 7 (Reuter).—According to Rome Radio, an agreement has been signed between the Vatican and Portugal whereby Churches in Portugal will in future be legal without the additional civil ceremony hitherto required by the state.

## Russian Fleet Out, Says B.B.C. Report

SPECIAL TO THE "TELEGRAPH"—LONDON, Aug. 7 (UP).—The B.B.C. has broadcast a report emanating from Radio-Moscow, declaring that the Russian Fleet in the Pacific is engaged in large-scale manoeuvring.

Observers recall that Radio-Moscow has made several announcements of this nature recently and no significance is attached to this report.

## Soviet Adds To Her Vice-Presidents

MOSCOW, Aug. 7 (Reuter).—Otto Kuusinen, who headed the government set up by Moscow in the captured Finnish territory after the Soviet invasion, has been appointed Vice-President of the Soviet Union representing the new Karelo-Finnish Federal Republic.

The number of vice-presidents has been raised by decree from 11 to 16, including spokesmen of the new republics, the other four being Moldavia, Estonia, Latvia and Lithuania.

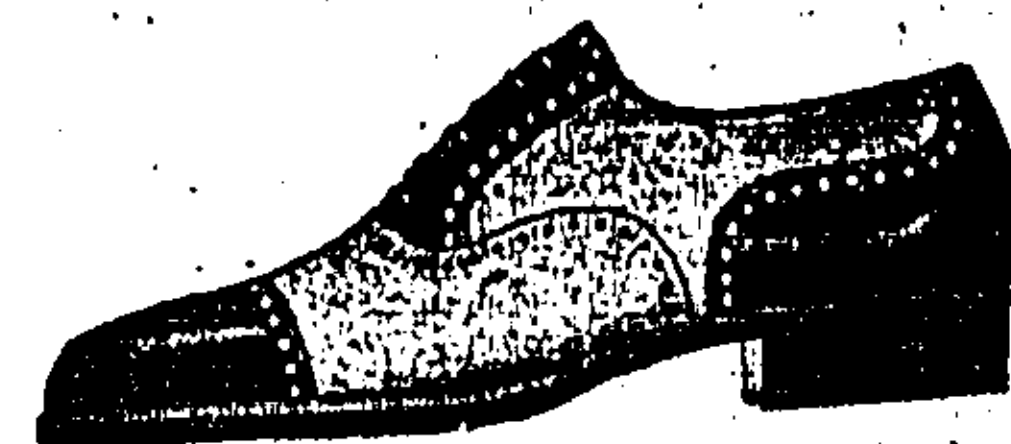
## THE WAR FUND

A total of \$1,201,214.55 was reached yesterday by the War Fund inaugurated by the S. C. M. Post, Ltd. Latest subscription:

Mrs. A. H. da Rosa Macao ... 2

NAIROBI, Aug. 7 (Reuter).—The second official casualty list of East Africa Force contains 17 names, all Africans, except two British sergeants dead.

## K SHOES



Tan calf and white nubuck on a comfortable last in two width "plus" fittings.

\$37.50. less 10% cash discount

TAN or BLACK K. SHOES

From \$29.50. in all sizes

MACKINTOSH'S LTD.

K. AGENTS

DRINK

**BEWO PILSNER**

At Jimmy's Kitchen

**PEPSODENT**  
TOOTH PASTE and POWDER  
CONTAIN IRIUM  
FOR GREATER CLEANSING POWER

**Parisian Grill**  
Air-Conditioned  
Music during Lunch & Dinner  
Tel. 27880 for reservations. Open till 1 a.m.

Have You the FIGURE that Men Admire

She's got that attractive, slim figure so much admired by the opposite sex. She maintains her lovely figure and keeps in perfect health by taking two Bile Beans regularly every night at bedtime. You, too, can gradually melt away those surplus pounds of fat, enjoy radiant health and get the figure that men admire if you take Bile Beans nightly.

OVER 1,000,000 BILE BEANS ARE SOLD EVERY DAY

All traders and dispensaries sell Bile Beans. For FULL SAMPLE write agents mentioned below, enclose stamp for postage.

This is how Bile Beans act: Bile Beans are prepared from pure vegetable extracts, and, therefore, can be taken regularly every night with perfect safety. They tone up the system, purify the blood, and remove fat-forming residue daily. Thus keeping you healthy, happy and slim.

**BILE BEANS**

GIVE YOU THE FIGURE THAT MEN ADMIRE  
Agents—Messrs. Gilman & Co., Hong Kong.



## Bradman's First 100

Don Bradman hit the first of his many Test centuries in this country at Nottingham, but, in spite of that, England won this first match of the series by 93 runs.

Wanting 429 to win, Australia had 220 for 3 on the board and Bradman and McCabe well set. The game swung round when Copley, an unknown boy fielding substitute for Larwood, made a wonderful catch to dismiss McCabe. Tate bowled 50 overs (20 maidens) for 69 runs and 3 wickets.

## BACK-STROKE RECORDS FOR ADOLPH KIEFER

## New Marks Added To Series of Triumphs

SANTA BARBARA, Calif., July 6.—Adolph Kiefer, of Chicago, rewrote the record book for back-stroke swimming to-day.

Performing for the Towers Club of Chicago, the big lad was credited with breaking almost every back-stroke mark in the book in a sensational burst of speed that capped another brilliant exhibition in the men's national A. A. U. outdoor swimming and diving championships.

Kiefer captured the 110-yard back-stroke race as expected, and here's what he did:

His time for 110 yards was 1 minute 5.5 seconds. His time for 100 yards was 58.1 seconds. His time for 100 meters was 1.04.7.

## FORMER RECORDS

A SEARCH of the A. A. U. records disclosed.

Kiefer established the old 110-yard record—a new distance in A. A. U. competition. His time was 1.05.6. Kiefer held the former 100-yard record of 58.8 seconds, set in Columbus, Ohio, in 1939. He held the 100-meter record of 1.04.8, set in Detroit in 1936.

All these records were hung up in a short or 25-yard pool, which gives a faster edge because a swimmer can come off the walls and gain time. The race was over a long or 55-yard route.

The long course record was set by Kiefer at Coral Gables, Fla., in 1935. It was 1.05.9 for 100 meters.

## NEW RECORDS

THUS Kiefer, long the world's greatest back-stroke swimmer, hung up new records for Kiefer to break.

The 220-pound artist was not the only record-breaker. The four-man team of the Island of Maui, Hawaii, won the 880-yard free-style relay in 9.17.3. Three years ago the Lake Shore Athletic Club team set the old American record at 9.20.

The quartet, boasting two brothers newly crowned as A. A. U. champions, moved the Hawaiians nearer the hope for team championship.

## SUCCESSFUL COME-BACK

KIYOSHI NAKAMA, of Maui's Alexander Community House, dethroned two days ago as the 220-yard champion, came back and took

## THE DERBY AND THE OAKS

## Godiva's Great Win In The Oaks

LONDON, June.—"My greatest regret is that Godiva did not run for the Derby. She must have won. She is the finest racer I have ever seen." That is how trainer William Narvis summed up Mr. Harmsworth's filly after Godiva had won a great victory in the New Oaks at Newmarket.

He did no more than bare justice to Godiva, who in the opinion of many put up the best Oaks performance for more than a quarter of a century.

Clocking a mile and a half race at Newmarket, but all who tried agreed that Godiva put up good time. To do that she overcame the disadvantage of losing a length or two at the gate, and yet beat all the best fillies in the land pointlessly.

Douglas Marks took her to the front half a mile from home, and though challenged by Golden Penny and Silver Luce II she never appeared in danger of defeat.

She beat Silverface II by three lengths and Golden Penny conceded third place to Valerian.

So good does Godiva now appear that even Djebel would have to do all he knows to beat her.—Our Own Correspondent.

## SCRAPPY WATER POLO

European Y.M.C.A. yesterday beat South China Athletic Association by five goals to two in a very scrappy water-polo match in the "Y" pool.

Poor passing by the visitors, who had a man unmarked and on his own on three occasions in the deep end cost them three certain goals. Y.M.C.A. were little better and while defending the deep end marked very poorly. G. H. Fowler, E. W. Ralston, G. T. May, R. A. Dodd and L. H. Chater scored for the home team, while Henry de Sa and Lionel Lo replied for South China.

South China will meet H.M.S. Thraxion at 8 p.m. to-morrow in the European Y.M.C.A. pool, while a Y.M.C.A. team will meet a Service team.

The 440-yard free-style in 4.50.4. He was an easy winner over Paul Herron of Los Angeles and the third-place finisher, Henry Paris of San Francisco, Ralph Flanagan won the title in 1939 but did not compete this year.

Defending Champion Jim Skinner of Detroit, University of Michigan star, had little trouble retaining his 220-yard breast-stroke championship, but failed to break a record. He was timed at 2.48.8.

## Most Sensational Derby Of All

ON JUNE 4, 1913, was the most amazing Derby of all time. Fifteen horses went to the post, and just before Tattenham Corner was reached, a woman identified with the Suffragette Cause threw herself in front of the King's horse, Amner, and received injuries from which she died two days later. The horse was unhurt and the jockey Herbert Jones, escaped with a severe shaking and a broken rib.

It was a great race between Craganour and Abeyour, the first named getting home by a head with Louvois 2 neck behind. Craganour was 6/4 favourite, Abeyour was 100/1 and Louvois 10/1. The time was 2 mins. 37.6 secs.

But immediately after the race, the Stewards on their own initiative disqualified Craganour and awarded the race to Abeyour!

The following notice was issued:

"The Stewards objected to the winner on the ground that he jostled the second horse. After hearing the evidence of the judge and several of the jockeys riding in the race, they found that Craganour, the winner, did not keep a straight course, and interfered with Shogun, Day Comet and Abeyour, having bumped and bored the second horse they disqualified Craganour and awarded the race to Abeyour."

How, under the circumstances, J. Reid the jockey was allowed to go without censure was a matter for general comment.

## Unwanted Horse Wins Blue Ribband

LONDON, June.—The Derby of 1940 will go down to history as the race which was won by the unwanted horse. It is doubtful whether the true story will ever be written.

Before Fred Darling paid £500 for Pont l'Évêque he had been offered to several other people. I fancy the first person to whom the colt was offered was Matthew Peacock, the Yorkshire trainer, and the price was £350.

That was before the colt ran second to Liberator at Newmarket. Subsequently the price went up to £500, and a woman owner told me she turned down the offer. Mr. H. E. Morris could not have had a very high opinion of Pont l'Évêque when he was a yearling, as he was not nominated for any of the classic races. Nor was Lighthouse II, in any of our classic races, yet on merit they were probably the two best colts in the Derby field.

## PROVED STOUTER

As regards the race itself, Pont l'Évêque proved stouter than Turfhan and Lighthouse II. I would only say that if Pont l'Évêque had not been an outstanding performer he was ridden to be beaten. First or second all the way, he was being put to his best pace half a mile from the finish.

Once Lighthouse II almost got on terms, but in spite of the fact that he had been on the stretch for a considerable time, it was Pont l'Évêque who found the extra bit which made all the difference. That is the test of the true stayer, and as such we accept the Derby winner.—Our Own Correspondent.

## Soccer Clubs Doubt Ability To Carry On

LONDON, Aug. 1 (Reuter).—Many leading Association Football clubs have been thinking seriously of whether they will continue to operate next season—even if military conditions permit continuation of sport. The reason for this is that many sustained big losses on last season's workings and they feel they could not stand a repetition.

Only one big club so far, Bolton Wanderers, has definitely decided not to carry on next season. The ground staff has been dispensed with and notice given to the club office staff.

Bolton have published their balance sheet for last season showing a loss of £5,923.

The big clubs have suffered more than the smaller ones this season. They have much larger over-head

expenses and while their aggregate attendance for the season shows a great decline the smaller clubs received the same, if not more, support.

It is likely, however, that the big clubs will carry on next season because they believe there will be a demand for sport on behalf of the war workers who must have some relaxation, also for the increased number of soldiers now in this country.

## NO PROFITS

SO far not one of the balance sheets published of the leading clubs shows a profit. Here is a list of the clubs and the losses sustained by them:

Blackburn Rovers	£3,700
Bury	£4,309
Falkirk	£1,127
Glasgow Celtic	£7,165
Leicester City	£7,000
Liverpool	£6,759
Middlesbrough	£8,392
Sheffield U.	£6,440
Sheffield W.	£4,645

## VILLA'S GREAT LOSS

ASTON VILLA who did not take part in any football except a few friendly matches near the end of the season, showed a loss of £11,751. From this is deducted the balance from the last account of £4,709, leaving an adverse balance to carry forward of £5,042.

Aston Villa did not take part in any Regional or Cup matches because their ground was not available, but as the ban has now been lifted the directors have informed the Football League that the club will take part in whatever competition is permitted next season. It is also planned, subject to the exigencies of the situation, to run a team of young players in a local league.

Whereas Villa's gate receipts in 1938-39 were £63,584, the few matches they played last season yielded only £5,718.

Sunderland, who did not take part in the Regional Competition but completed in the Football League War Cup, show a net loss of £3,440 for the year ending May 4.

Their total net income was £6,421 against an average of about £26,000 in previous years.

COUNT THE "TELEGRAPHS" EVERYWHERE

## Remember Larwood?

HAROLD LARWOOD, who took part in the 20-overs-per-innings match at Nottingham bowled three overs for 15 runs without taking a wicket.

Reports say that the one-time England fast bowler found difficulty in getting a foothold and one fears that Larwood will always be feeling the acute physical effect of his last memorable tour to Australia in 1932-3.

## Lawn Bowls Teams For The Week-end

The following teams have been selected by the various Clubs for lawn bowls league matches this week-end:

## CLUB DE RECREIO

"A" v. Police (home, 3.30 p.m.)—L. J. Silva, F. X. Soares, R. P. Luz and H. J. Alves.  
"B" v. Xavier, C. M. Silva, F. V. Ribeiro and F. X. Silva.  
"C" v. Luz, C. E. Marques, J. F. Ribeiro and C. G. Silva.  
"D" v. Indian R.C. (home).—F. A. Machado, C. A. Lopes, C. Roza, Pereira and B. Barilo.  
"E" v. A. C. 11, Basto, A. P. Gutierrez and J. J. Basto.  
"F" v. Pereira, A. P. Noronha, J. C. Noronha and J. P. Noronha.  
2nd Div. v. Craigengower (away).—H. H. Pina, P. Yanovich, J. H. Soares and C. P. Remedios.  
P. M. N. Silva, J. A. Remedios, C. M. Alves and A. M. Rodrigues.  
J. Omand, C. Vas, A. M. Xavier and F. Souza.

## INDIAN R.C.

1st team v. Recreio "B" (away).—D. M. Khan, R. M. Rujmahn, A. M. Rujmahn and M. R. Abbas.  
J. Hoosen, A. K. Sultana, A. R. Minu and A. K. Minu.  
2nd team v. Yusuf, M. Y. Adal and A. H. Rujmahn.  
3rd Div. v. Kowloon F.C. (home).—A. S. Sultana, M. Hassan, A. H. Madar and A. M. Wahab.  
J. M. V. Rujmahn, M. P. Madar, A. G. Sultana and A. Bakar.  
M. H. Hassan, S. A. R. Bux, U. A. Rujmahn and S. M. Rujmahn.

## OPEN PAIRS BOWLS

## Omar Brothers' Easy Win Over Marques And Basto

A. M. Omar and U. M. Omar, former holders of the Colony Open Pairs lawn bowls championship, entered the fourth round yesterday when they trounced C. E. Marques and B. Basto 27-8.

The Portuguese pair led for the only time at the 5th end when a three count gave them a 5-4 lead, but the Omars scored 4,2,2,1,1 to lead 14-5 at the 10th end and never looked behind. The losers scored on only five ends.

At Talkoo A. W. Grimmit and F. J. Jones beat J. McCutcheon and C. Gownland 25-17.

## CHUNGKING WARNING

## Foreign Holdings Unsafe In War Time

Chungking, Aug. 7. A warning to Chinese not to purchase foreign currency for deposit in foreign banks is contained in an article in this morning's official Central Daily News.

When war was confined to China it was understandable that there would be a flight of capital from China, but with war spreading throughout the world there is always the danger that market transactions in foreign currency will be suspended, thereby affecting holders, it says. In times of world unrest measures like the control of exchanges or the devaluation of currency are not confined to defeated nations. Even victors may resort to such measures, since the abnormal rise and fall of any currency will upset the economic system and trade. The richest country in the world, the United States, devalued the dollar and due to the present drop in the dollar-sterling cross rate there is talk of further devaluation.—Reuter.

## HOW TO RALLY AFTER ILLNESS

It's an uphill business getting your strength back after serious illness or operation. There's only one thing that can help you—nourishment, plenty of it. But your stomach is as weak as your legs and you hate the thought and sight of food.

Doctors save the situation time and again by giving the convalescent patient Horlicks. It is food in a form which places no strain on the exhausted digestion—and its pleasant flavour restores the jaded appetite. Horlicks is a complete balanced food, containing all the elements needed for filling out the wasted body with healthy flesh and repairing lattered nerves.

Thousands of people owe their quick recovery to the abundant vitality and energy that Horlicks has poured into their veins. Get Horlicks from your store to-day. Always keep a supply in the house. (3)

Tel. 28151.

## AFTER SALE BARGAINS

## SPECIAL BARGAINS IN MEN'S SPORTS SHIRTS

"PENMAN'S" LIGHT-WEIGHT COTTON MESH, IN MAROON, LIGHT BLUE, CANARY AND WHITE. Sizes 38" to 44" \$1.50 each

"BUCKTA" INTERLOCK IN GREY, MAROON, NAVY, GREEN, LIGHT BLUE AND CANARY. Sizes 34" to 46" \$2.50 each

"MORLEY'S" "PUKKA" LIGHT-WEIGHT COTTON GREEN, RED AND BLUE. Sizes 34" to 40" \$4.00 each

"COOPER'S" ART SILK IN FAWN, GREEN, BLUE AND WHITE. All sizes \$3.50 each

Men's Wear Department

LANE CRAWFORD'S

The House of Quality &amp; Service



The system that provides QUALITY AIR CONDITION DRYCLEANING for all types of Clothing and Household Accessories

CARPET SHAMPOOING UNDERTAKEN PREPARATORY TO STORING

## THE STEAM LAUNDRY CO.

Head Office &amp; Works 57032

Gloucester Bldg., 2nd Flr., Tel. 28038 Hong Kong Depot, Tel. 21270  
Kowloon Depot, Tel. 58545 Peak Depot, Tel. 29352

WE HAVE PLEASURE IN ADVISING THAT WE HAVE BEEN APPOINTED DISTRIBUTORS FOR THE UNITED BATTERY MFG. Co., Ltd., Los Angeles, Cal., U.S.A.

manufacturers of the internationally known "UNITED" storage batteries. UNITED batteries although custom-built are sold at very competitive prices. All "UNITED" batteries are sold under a full guarantee. A shipment of 6 volt and 12 volt, 13 plate 80 amp., 15 plate 105 amp., and 17 plate 125 amp. just received.

## INQUIRIES SOLICITED

CHINA MOTOR AGENCIES & SALES CO. 157-8-9, Gloucester Rd., Wanchai. P. O. Box 678. Tel. 22157

## Swan, Culbertson &amp; Fritz

Investment Bankers and Brokers

Members of New York Cotton Exchange

Chicago Board of Trade

Manila Stock Exchange

Winnipeg Grain Exchange

Commodity Exchange, Inc., New York

Canadian Commodity Exchange, Inc., Montreal

New York Coffee and Sugar Exchange

Hongkong Sharebrokers Association

Shanghai Stock Exchange

SHANGHAI, HONGKONG, MANILA AND BUENOS AIRES

Cable Address: SWANSTOCK

## Opens TO-DAY AT THE KING'S ROMANCE GIVES EVEN WAR CLOUDS OVER EUROPE A THRILLING SILVER LINING!

The exciting star of "Wuthering Heights" as a gay young blade battling a world-wide network of espionage!

**Laurence OLIVIER** (Star of "Wuthering Heights")

**Clouds Over Europe**

**RALPH RICHARDSON** (Star of "The Citadel")

**VALERIE HOBSON**

Screen play by Ian Dalrymple  
Directed by TIM WHELAN

A Columbia Picture







# KING

AIR-CONDITIONED THEATRE

SHOWING TO-DAY At 2.30, 5.10, 7.15 & 9.30 P.M.

**DARING! DYNAMIC! DIFFERENT!**



Watch enemy spies at work! See the star of "Wuthering Heights" turn to espionage—and love!—Valerie Hobson!

**LAURENCE OLIVIER**  
gives you the greatest role of his career in

**Clouds Over Europe**

RALPH RICHARDSON  
VALERIE HOBSON  
Screen play by Ian Dalrymple  
Directed by TIM WHELAN

A COLUMBIA PICTURE

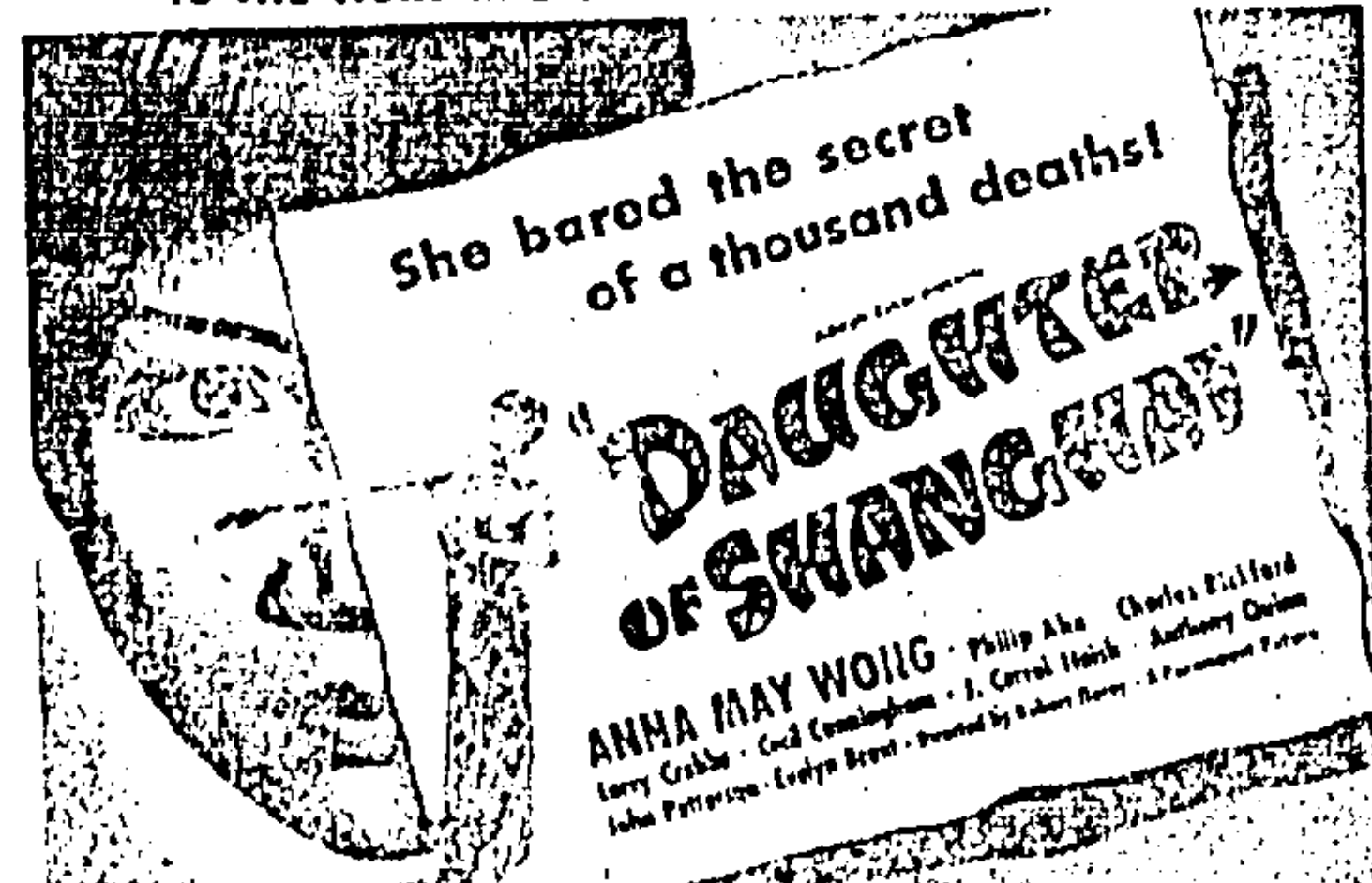
NEXT "TURNABOUT" United Artists  
CHANGE Starring ADOLPHE MENJOU, CAROLE LANDIS, JOHN HUBBARD Release

4 SHOWS DAILY  
2.30-5.15  
7.15-9.30

## ORIENTAL

FLEMING ROAD WANCHAI TEL 28473

TO-DAY ONLY! RETURN OF A GREAT PICTURE!  
SENSATIONAL EXPOSURE OF ORIENTAL SECRETS!  
Thrilling adventure of a Chinese girl from Shanghai to the front line chorus of a Caribbean diva.



2 DAYS ONLY—TO-MORROW & SATURDAY  
FROM THE NOVEL THAT THRILLED MILLIONS!

**Charles LAUGHTON**  
**JAMAICA INN**

MATINEES: 20c-30c. EVENINGS: 20c-30c-50c-70c.

4 SHOWS DAILY  
2.30-5.15  
7.15-9.30

## MAJESTIC

NATHAN ROAD KOWLOON TEL 57222

MATINEES: 20c-30c. EVENINGS: 20c-30c-50c-70c.

FINAL SHOWINGS TO-DAY  
HE'S GOT A VOICE LIKE A NIGHTINGALE...  
AND A SOCK LIKE A MULE!... A COMEDY-HIT!!!



**Kid Nightingale**  
A WARNER BROS. Picture  
with **JOHN PAYNE**  
**JANE WYMAN**  
WALTER CATLET  
ED BROPHY  
Directed by GEORGE AMY  
Screen Play by Charles Bidan and Raymond Schreck • From a story by Lee Katz

TO-MORROW & SATURDAY  
THE STORY OF THE MOST AMAZING MAN-HUNT  
THE WORLD HAS EVER SEEN

BORIS KARLOFF in **"BRITISH INTELLIGENCE"**  
A Warner Bros. Sensational Drama



## ENGLISH GIRL WITH A DEANNA DURBIN VOICE

BY STUART FLETCHER

GRAMOPHONE records make news.

Two discs present a 14-year-old English soprano who can be compared with Deanna Durbin; baritone singing a duet with his own voice of nine years ago.

Millicent Phillips, the daughter of a string factory worker, of Redditch, Worcestershire, is the English Deanna.

She has a voice which has all the sweetness of a young girl, with a technique far beyond her years, a true intonation, and an amazingly certain coloratura (Parlophone 10-inch).

This pupil of Mavis Bennett, the well-known singer, is discussing a seven-year contract with Alexander Korda to sing in British films.

She makes her debut in Arditi's "Il Bacio," the song which Deanna Durbin sang in "Three Smart Girls," and a version of Strauss' "Voices of Spring."

NINE years ago John Bonner was a choirboy at Manchester Cathedral.

Now he is a bass-baritone singer at Lincoln Cathedral.

He has "dubbed" a vocal accompaniment by his present voice on to a nine-year-old recording made when he was a soprano, of "Somewhere a voice is calling" and "Angels guard thee" (Columbia 10-inch).

Woman Caught Boy

A youth who escaped from Portland Borstal Institution was caught by a woman, Mrs. Ethel Honeyman, caretaker in a local museum. She told him she was a police woman.

Another Portland Borstal boy named Wright, who has a pronounced squint, was still at large recently after three days' liberty.

## A.R.P. FOR ANIMALS

MINIATURE stretchers will be used to carry cats and dogs, wounded in air raids, to the 500 first-aid posts for animals which have been established in London and the provinces.

These first-aid posts will be in telephone communication with mobile units—to be known as "animal flying squads." The mobile units will comprise different vehicles—animal ambulances and travelling dispensaries to private cars learned by veterinary surgeons.

The organization is controlled by "Nargac," the National Animals A.R.P. Committee, of which a member said:

"Immediately after an air raid we shall patrol the different sectors, and if injured animals are found, the squad leaders will telephone the nearest first-aid post. Each squad

will be led by a veterinary surgeon or a fully-trained official, and if the injuries are slight, attention will be given on the spot."

In the case of horses it has been arranged that, wherever possible, they should be led into a quiet street and people with empty garages are asked to accommodate them during raids.

Separate arrangements have been made for farm animals. Farmers have been advised how to get in touch with flying squads, how to gas-proof their stables and how to deal with animals affected by mustard gas.

In some districts the committee are endeavouring to arrange a corps of bicyclist messengers between farmers and the mobile squad.

## AFRICAN FIGHTING

Rome, Aug. 7.

The 59th. war communique, issued to-day, referred to the East African offensive. It stated:—"Our columns crossed at various points on the frontier into British Somaliland, East Africa, and naval bases in Aden and Berbera were effectively bombed and one enemy plane was shot down. North African camps south of Sollum were bombed. One British four-motored plane was brought down near Tobruk and the crew of eight was captured."

The communique did not mention the point where the Italians crossed into British Somaliland, but it is understood that they made their entry from both Ethiopia and Italian Somaliland.

Combined naval, air, and land fighting are considered to be a part of the general African offensive, including an attack against Kenya. Air activity has been increased, including bombing raids on railways at Alexandria and Mersa Matruh.—United Press.

Egyptian Drive Imminent?

London, Aug. 7.

British military circles to-day confirmed the report that there were indications of the beginning of an Italian advance from Libya towards Egypt, although there was no intimation yet that any Italians had crossed the frontier, along which they concentrated strong forces.—United Press.

Egypt Not Yet Violated

Alexandria, Aug. 7.

There is no foundation for the report that Egyptian territory has been invaded by Italian forces. It is believed, however, that an Italian attack from Libya is imminent.

A semi-official announcement made in Cairo to-day stated:—"All is quiet on the frontier. The only Italians at present on Egyptian soil are one general and 118 officers and other ranks—who are prisoners."—Reuter Bulletin.

Cairo Announcement

Cairo, Aug. 7.

It was announced to-day that the Premier would to-night make an important declaration in the Chamber "of interest to the inhabitants of Cairo." It is understood that he plans to announce that Cairo, as a holy city, will not be defended in order to preserve it from bombardment. Such an announcement has British approval and would be transmitted to Italy through the Swiss Minister.—United Press.

## Magistrate Tried To Bribe Police

A FINE of £200 was imposed on Dr. Alfred Hugh James (70), chairman of Blaenavon magistrates for five years.

He was charged at Monmouth-shire Assizes at Newport with corruptly offering a gift of £5 to a police sergeant.

Dr. James was also ordered to pay costs, not exceeding £50.

In default of payment of the fine and costs, Mr. Justice Hallett said that James would go to prison for three months in the second division.

The judge remarked: "I regard this in many ways as one of the gravest cases I have ever heard of."

Mr. J. Bourke, prosecuting, said that a charge was preferred against a young man named Doggett, aged 18, of breaking and entering a house and stealing money and attempting the same offence.

James made four attempts to induce Sergeant J. Huskell to have the charge reduced to larceny.

On March 31, James, Mr. Bourke added, told the sergeant: "It is £5 to get it reduced. You might as well have 25 worth of petrol. I have told Pritchard (Doggett's uncle) that it is for a professional man. You are a professional man. Doggett won't know. Make the pay."

When told he had been reported, James replied: "Oh God, I can never sit on the Bench again."

Mr. A. J. Long, K.C. (for Dr. James), said:

"This elderly man, with gravely affected health, allowed his zeal to outrun his judgment."

AMBASSADOR'S RETURN

Shanghai, Aug. 7.

The British Ambassador, Sir Archibald Clark Kerr, accompanied by Lady Clark Kerr, arrived here last night from Weihaiwei.—Reuter.

## KING OBEYS SERVANTS

SHOULD an air raid warning be received at the private A.R.P. post at Buckingham Palace, members of the staff who have been trained as wardens and first-aid personnel would go on duty—and the King and Queen would obey their instructions implicitly.

The air-raid precautions at the palace provide an example any household can follow with profit. Everything is prepared beforehand and reduced to the simplest and quickest organisation; and everybody, from the King and Queen to the youngest pantry-boy, knows exactly what to do in an emergency.

Every day the deep cellar shelter rooms are inspected and made ready. Fresh water is stored by the little stove for making hot drinks, and there are tins of biscuits and sweets, periodically replaced. Once a week the rooms are thoroughly warmed through, to prevent an accumulating dampness which might cause chills.

There are chairs, a table and a desk with a telephone extension in the shelter, which the King and Queen and the Royal Family use. The Queen keeps a piece of knitting there, and a portable battery radio set.

Both the King and the Queen have warm clothes, and their gas masks laid on a chair near their beds every night.

Millicent Phillips, the soprano, who achieved fame at 14 on a gramophone record.

## PRETTY WEDDING

Miss Reilly And Mr. Baynes At St. Andrew's

A charming wedding took place at St. Andrew's Church, Kowloon, yesterday when Miss Frances Simplekson Reilly, daughter of the late Mr. and Mrs. John Reilly, Jr., of New York City, became the wife of Mr. Eric N. Baynes, son of Mr. and Mrs. Richard Dudley Baynes, of Maryborough, Queensland, Australia.

The Rev. J. R. Higgs, Vicar of St. Andrew's Church, officiated at the ceremony.

The bride, who wore a charming creation of white satin belonging to her mother, was given away by Mr. C. Crofton, while Mr. J. H. S. Duncan undertook the duties of Best Man.

A reception was later held at the Peninsula Hotel, where the health of the bride and bridegroom was toasted in traditional style.

The honeymoon is being spent at the Repulse Bay Hotel.

The bride's going-away dress was of green and white silk with a green linen coat to match.

## QUEZON AS DICTATOR

Manila, Aug. 7.

The National Assembly to-day unanimously passed the Emergency Powers Bill's second reading. The third reading will be voted upon to-morrow, although this is merely a formality.

The Bill gives President Quezon vast powers for the time of crisis, as the suppressing of subversive movements, to require citizens to perform public duties, to prohibit lock-outs and strikes, to regulate rents and prevent monopolization, hoarding, and control of industries, etc. There was some little opposition, but this was soon squashed.

This was the second draft of the Bill, but it is practically the same as the first although the first was widely criticised.—United Press.

## LATE NEWS

## ALHAMBRA THEATRE

NATHAN RD. KOWLOON DAILY AT 2.30-5.20-7.20-9.30. TEL. 56855

FINAL SHOWINGS TO-DAY  
STAN LAUREL • OLIVER HARDY  
in **"BONNIE SCOTLAND"**



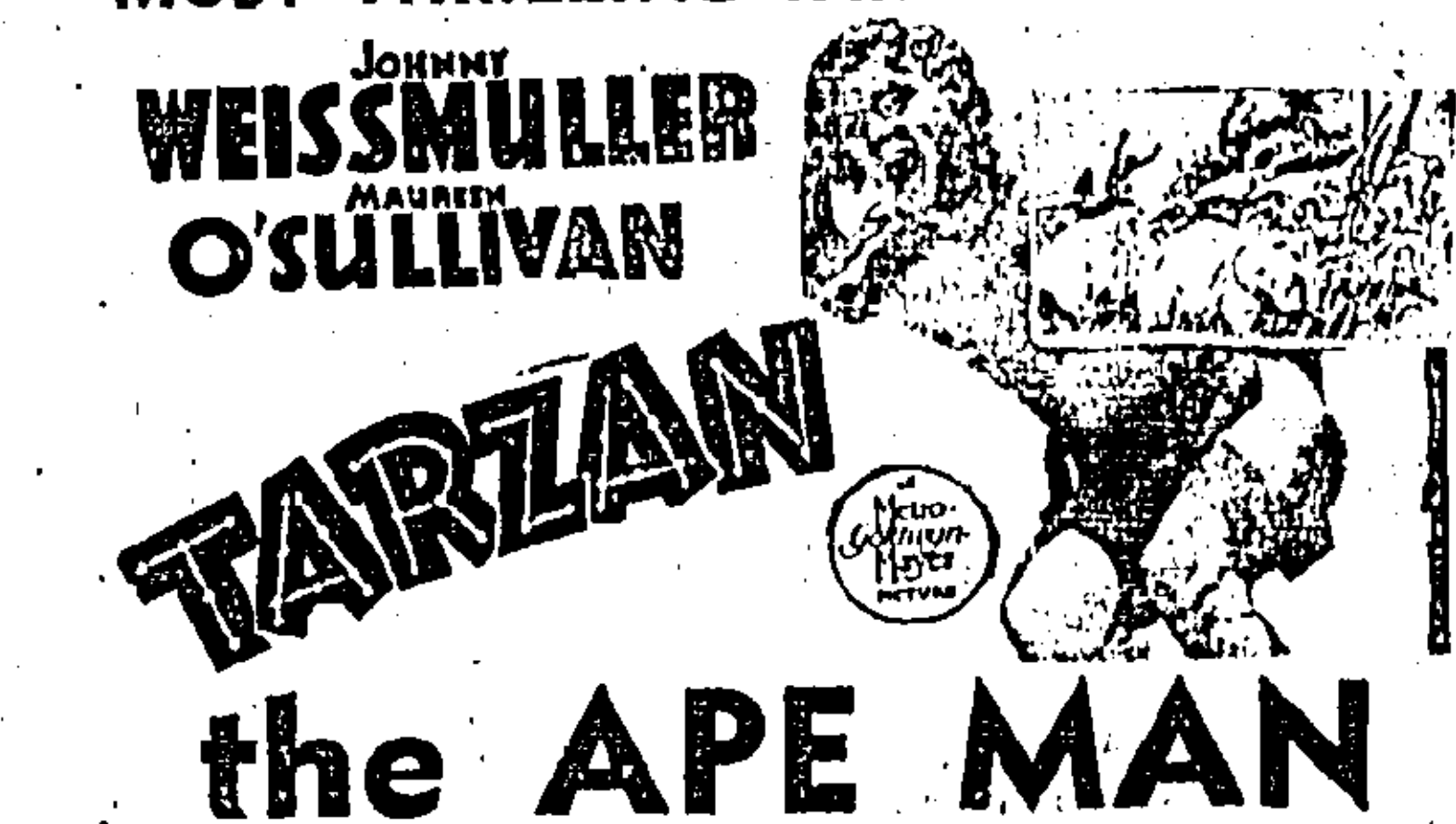
To-morrow—"UNION PACIFIC"

SATURDAY  
ROBERT TAYLOR • HEDY LAMARR  
in **"LADY OF THE TROPICS"**

## QUEEN'S THEATRE

HONGKONG DAILY AT 2.30-5.15-7.20-9.30 P.M. TEL. 31453

TO-DAY & TO-MORROW  
A REVIVAL OF THE GREATEST AND MOST THRILLING TARZAN PICTURE!



SATURDAY  
An MGM Picture : Robert TAYLOR - Hedy LAMARR in **"LADY OF THE TROPICS"**

## STAR THEATRE

HANKOW RD. KOWLOON DAILY AT 2.30-5.20-7.20-9.30 TEL. 57795

TO-DAY ONLY  
SYLVIA SIDNEY • JOEL MCCREA



UNITED ARTISTS PICTURE

TO-MORROW : **"SHALL WE DANCE"**  
An RKO Picture

## CATHAY

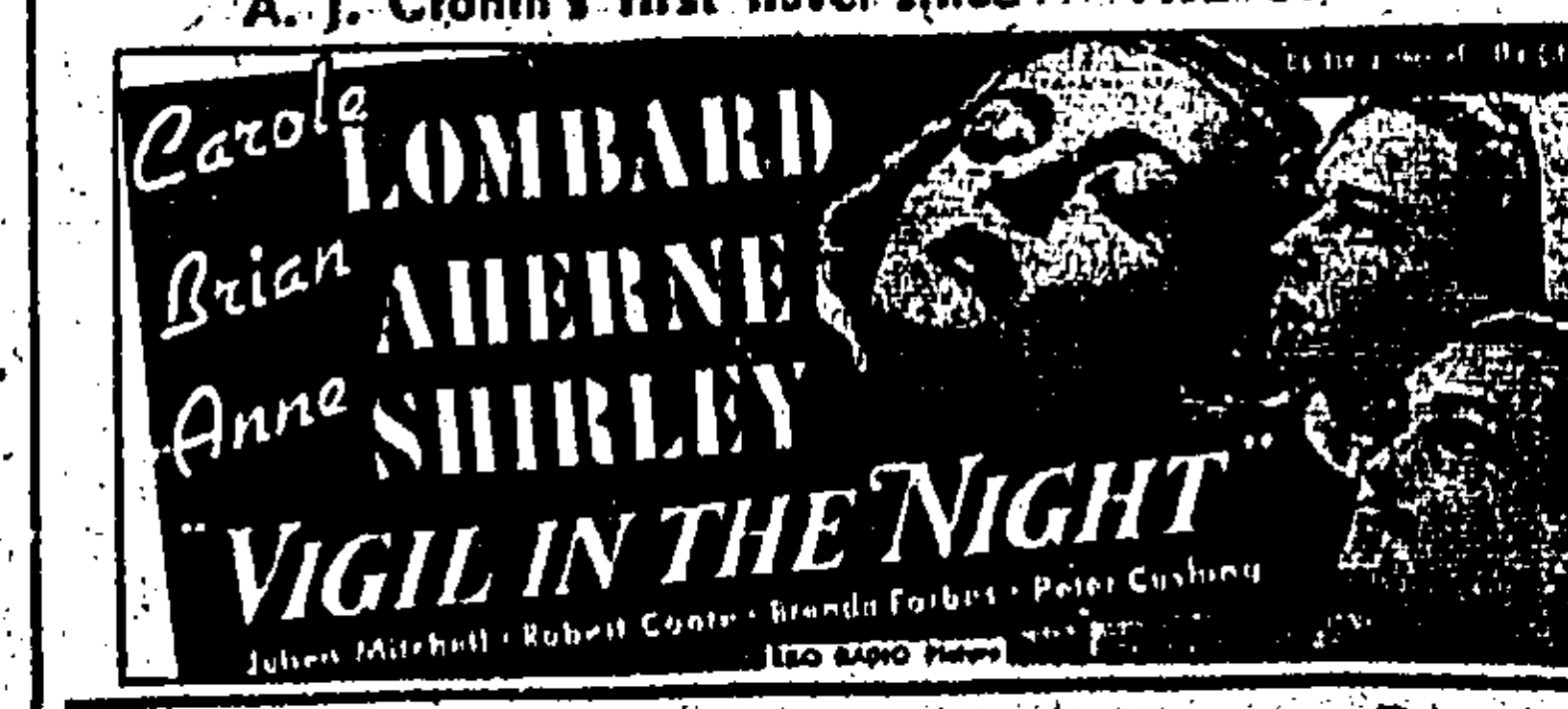
DAILY AT 2.30, 5.15, 7.20, & 9.30 P.M.  
MATINEES—20c, 30c, 40c. EVENINGS—20c, 30c, 50c, 70c, 90c.

TO-DAY, ONE DAY ONLY!

A picture thrill-filled and exciting! Shirley talking and singing Chinese! Romance in Glittering Shanghai! A gripping story—a surprise dramatic climax!



TO-MORROW & SATURDAY—2 DAYS ONLY!  
A. J. Cronin's first novel since "THE CITADEL"



Printed and Published for the Proprietors by FREDERICK PERCY FRANKLIN, at 1 and 3, Wyndham-Street in the City of Victoria, Hongkong.

## Dine, Wine & Dance CHANTECLER

170-179 NATHAN ROAD, KOWLOON. TEL. 00021.



## DEPENDABLE USED CARS

Model	Description	Price
1933	Austin "12" Saloon	\$ 800
1934	Vauxhall "14" Saloon	\$1,200
1935	Chevrolet Master Sedan	\$1,600
1936	Ford Cabriolet	\$1,600
1937	Studebaker Coupe	\$2,200

### FAR EAST MOTORS

Phone 59101 26 Nathan Road,  
KOWLOON.

PRINTED AND PUBLISHED BY  
**Hongkong Telegraph**  
Dollar T.T.—1s 2d Hongkong Telegraph  
The "The South China" Morning Post, Ltd.,  
Lighthill Co. Wanchai Street, Hongkong.  
High Water:—12.21.  
Low Water:—18.37.

# The Hongkong Telegraph

FOUNDED 1861 四拜禮 號八月八英港香 THURSDAY, AUGUST 8, 1940. 日五初月七 SINGLE COPY 10 CENTS \$30.00 PER ANNUM

## Whiteaway's GREAT SUMMER

## Sale

NOW PROCEEDING

Fine values in every  
department.  
CALL EARLY

## Alleged Japanese Demands on French Indo-China SITUATION QUIET BUT "BALLOON MAY GO UP"

THE SITUATION IN FRENCH INDO CHINA REMAINED QUIET THIS MORNING, ACCORDING TO AUTHORITATIVE SOURCES.

Chinese sources declare that negotiations are in progress between the Japanese authorities and Rear Admiral Decoux regarding the Japanese demands which are stated to be as follows:

- 1.—Establishment of Japanese naval bases at Kwangchowwan, Haiphong and Camn-Rahn Bay;
- 2.—Establishment of Japanese military bases at Haiphong and in the interior;
- 3.—French section of the Haiphong-Kunming Railway to be made available to Japan for transportation of men and materials;
- 4.—Establishment of Japanese aerial bases on French territory;
- 5.—Closer economic collaboration between Indo China and Japan.

### WARSHIPS CONCENTRATE

There is no confirmation from other sources of these so-called demands. Although the situation in Indo China is at the moment quiet, authoritative sources expect "the balloon to go up at any moment."

### Commons Discusses Economic Situation

## STRENGTHENING BRITAIN'S SINEWS OF WAR

LONDON, Aug. 7 (Reuter).—The Government has directed its energies since its formation to strengthening the sinews of war, declared Mr. Arthur Greenwood, Minister Without Portfolio in the War Cabinet, initiating a discussion on economic organisation in the House of Commons to-day.

## GERMAN AIR RAIDS INTENSIFY

### R.A.F. Keeps Up Good Work Against Enemy

LONDON, Aug. 7 (UP).—There has been a sudden intensification of daylight raids on England.

As a result several farm buildings in south-west England have lost their roofs or have otherwise been seriously damaged.

A number of high explosive bombs fell near a small town to-day and some of the residents had narrow escapes.

The Air Ministry announces to-night that R.A.F. bombers raided the Paris airport at Le Bourget last Tuesday afternoon.

Several large twin-engined German aircraft were on the ground and others of medium size were standing near the hangars.

The British raiders took the enemy completely by surprise and dropped bombs near the aircraft and hangars. The British planes had fulfilled their mission and were en route back to their bases before the German anti-aircraft guns could be brought into action.

British bombers attacked the oil plant at Hamburg, the supply depot at Schweitz, a factory at Mors and airfields in Holland and North Germany on Tuesday night. One British plane failed to return.

He began: "It was clear in the very early days of the new government that a tremendous and growing burden rested on Britain. I do not think, however, that the outlook to-day should daunt us.

"To achieve victory as swiftly as may be, our fighting forces must be adequately provided with the sinews of war and the people must be kept in good heart. The Government has directed its energies to strengthening the sinews of war.

"Planes, tanks, guns and munitions of war each call for varied skill and a large variety of materials, drawn from the four quarters of the earth.

It is Total War  
"The arena of the war has widened by the increased range of aircraft and the war has become a total war in which the term non-combatants ceases to have any meaning. War of this kind and the complexity in solving the whole population calls for economic organisation on a scale unknown in the past and I am prepared to admit, not yet fully achieved in the present.

Turning to the economic position of the country, Mr. Greenwood said: "Hitler, in his latest speech, painted a rosy picture of his economic strength. He also said that his total supplies for the Army and Air Force are considerably greater than before. It is of course true of this country. But Hitler is beset by serious problems within his swollen boundaries which will intensify as days go by.

Hitler's Food Supplies  
"Hitler boasts that his food supplies are guaranteed for as long as the war lasts. I wonder, I fancy that as the war draws on, Hitler will not be happy, as a condition of Turn to Page 5, Second Column

It is reported that, in addition to a concentration of some twenty or thirty warships in the vicinity of Tongking Bay, Japan has approximately 30,000 troops along the Indo China-Kwangsi frontier.

The French authorities have dynamited all railway and highway bridges along the Kwangsi and Yunnan frontiers.

The "Telegraph" learns that, in addition to 18 Japanese transports sighted earlier this week heading southwards, presumably towards Indo China, eleven transports were later sighted by a ship en route from Shanghai to Hongkong, heading in the same direction.

American naval sources in Manila confirm increased movements of Japanese warships southwards from Formosa.

Chinese sources reported last night that Generalissimo Chiang Kai-shek has concentrated some twenty divisions of troops under General Li Chung-jen on the Yunnan-Indo China frontier.

It will be recalled that The Chinese Foreign Minister, Mr. Wang Chung-hui, last week warned the French authorities that China would be forced to adopt "certain measures" in the event of enemy troops being permitted to land in Indo China.

Demobilisation Ceases  
Demobilisation of French and colonial troops in Indo China has ceased on instructions from the new Governor-General, Admiral Decoux, who is concurrently Commander-in-Chief of the French Asiatic Squadron.

Although the French army and naval forces in the Far East are not considerable, France is believed to possess a goodly number of submarines, which are based at Camn-Rahn Bay. In the event of hostilities, the Japanese Navy would thus meet submarines for the first time in Japan's naval history.

It appeared this morning that shipping between Hongkong and French Indo China, which temporarily ceased last week because of the Japanese refusal to permit British ships to load or unload, has returned to normal. British ships are stated to Turn to Page 5, Fourth Column

Saloon Car  
Somersaults,  
Catches Fire  
Dramatic Escape For  
Two H.K. Residents

Two men in a saloon car which somersaulted three and then caught fire were taken to Queen Mary Hospital in the early hours of this morning after a narrow escape from death. They were Mr. G. Kotwall, of Seen Keen Terrace and

Mr. K. P. Chau, of 40 King's Road. Mr. K. P. Chau was driving along King's Road in a westerly direction and was nearing Tsim Street when he was overtaken by another car which, he stated in a report to the police, was travelling at a terrific speed.

He swerved violently to avoid a collision and his car somersaulted three times.

Although the vehicle caught fire, the two men were able to clamber to safety.

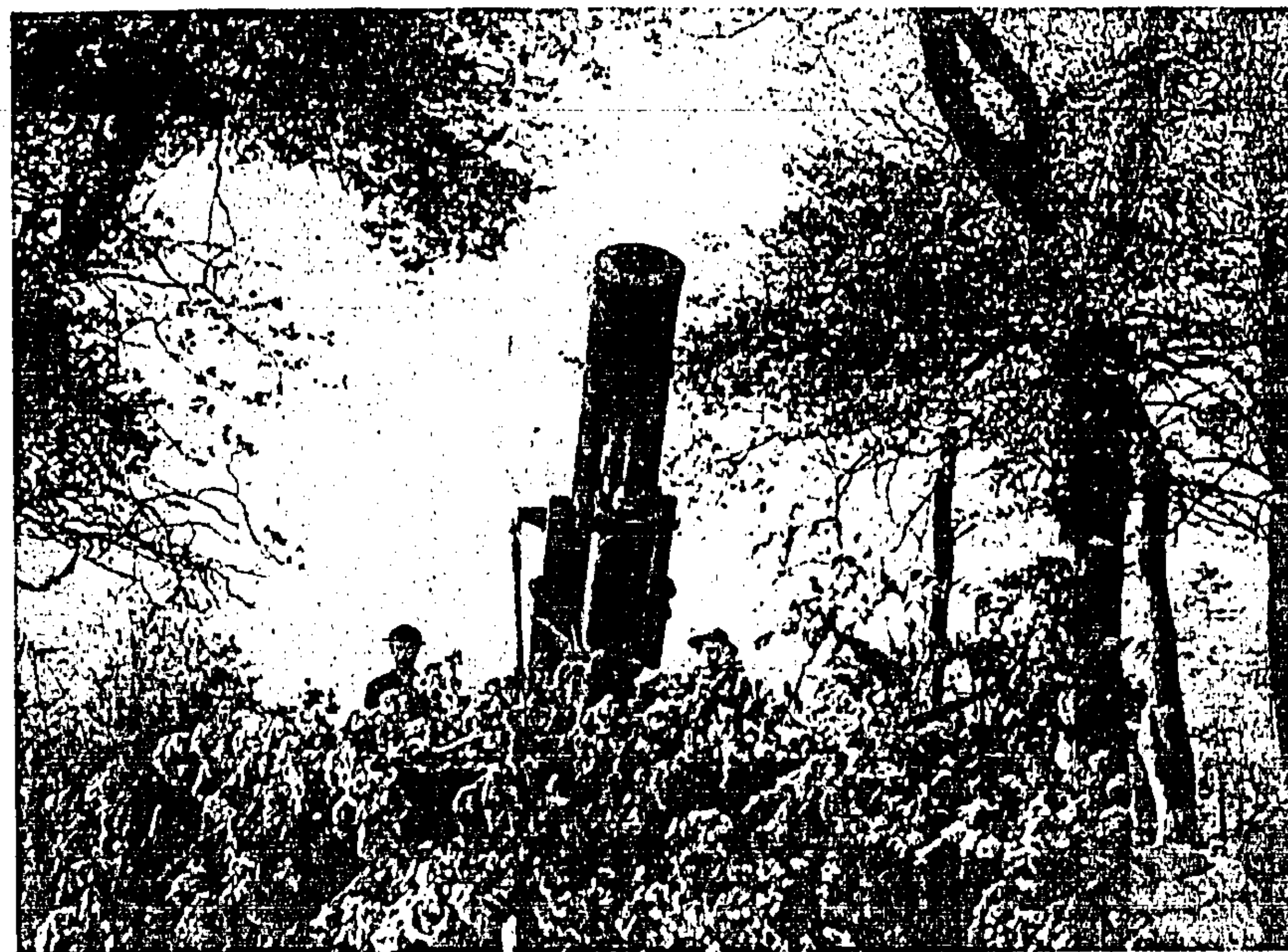
They were taken to hospital in an ambulance.

Fire appliances extinguished the fire in Mr. Kotwall's car which, however, was badly damaged.

## LATEST

See Back Page For  
Further Late News

## BRITAIN'S BIG GUNS READY FOR NAZIS



An imposing study of heavy artillery "somewhere in England" indicating the ever watchful eyes of our gunners. These men are always at their posts ready for any eventuality. Should necessity arise these monster guns will inflict devastating damage on the enemy.

## Britain To Purchase U.S. Tanks

WASHINGTON, Aug. 7 (Reuter).—The British Purchasing Mission has informed Mr. Henry Morgenthau, Secretary of the Treasury, of the British Government's intention to place large orders in the United States for tanks, field artillery and many other supplies not previously caused in America.

This was revealed by Mr. Arthur Purvis, head of the British Mission, in an interview. He said that three orders, "involving hundreds of millions of dollars," would be material to be delivered at a considerable time in the future. He indicated that previous purchases had been made to a large extent on the basis of immediate needs, but the new programme would be for anticipated future needs.

## CONFIDENT CAN STOP ITALIANS

### British Forces Are Well Prepared

CAIRO, Aug. 7 (Domei).—British military circles express confidence that the British forces garrisoning British Somaliland are well prepared to repulse the three-pronged Italian push.

The Italians admittedly have considerably large forces but they depend upon the inconvenient Italian Somaliland and Ethiopia for supplies of materials and reinforcements.

The Italians advancing through the mountainous terrain or desert area are vulnerable to air attacks. Because roads are bad, the only means of transport will be camels. These inconveniences, coupled with mid-summer heat which at times reaches 120 degrees make the Italian invasion a difficult task.

### Italian Objective

The Italian objective is believed to be Berbera or Zeila on the Gulf of Aden. Their immediate objective will be to obtain control of five trunk roads in British Somaliland.

The northern column will probably attempt to control the border with French Somaliland and the Djibouti-Addis Ababa Railway, while the central column will probably thrust along the Hargesa-Berbera road. The southern column will mainly apply itself to the defence of the Italian Somaliland border.

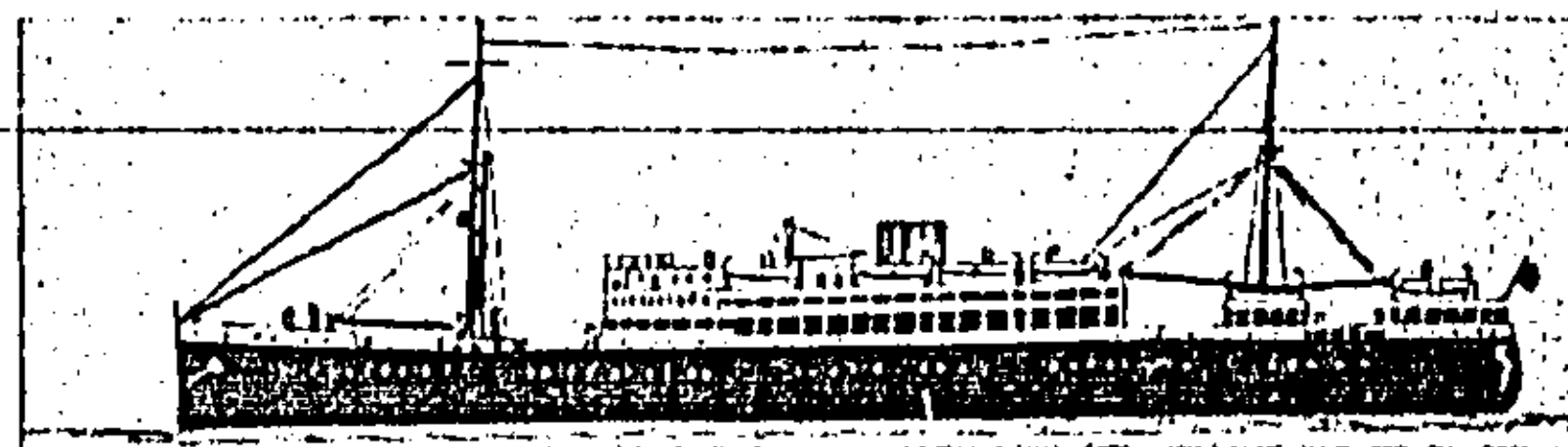
The total strength of the Italian forces on the Somaliland front is estimated at 155,000.

British military authorities believe the Italians may start large-scale operations in northern Africa. In concert with the push of the Ethiopian forces, the Italians in Libya will Turn to Page 5, Fifth Column

## PASSENGER SHIP TORPEDOED: NO U-BOAT WARNING

SPECIAL TO THE "TELEGRAPH"

LONDON, Aug. 7 (UP).—The 9,337-ton Elder Dempster motor-ship Accra was torpedoed off the Irish Coast on July 25 whilst leading a convoy, it has just been revealed in London.



The torpedoed liner Accra

Eight passengers and nine members of the crew are missing.

The Accra, which was launched in 1926, has normal accommodation for 400 passengers and 160 crew. It is authoritatively learned she did not carry any children.

Survivors state that there was no panic, although one lifeboat capsized and a raft turned over.

The submarine fired without warning and she was not sighted at any time during the sinking.

Sank In 30 Minutes  
The Accra sank in about 30 minutes, going down by the stern with her English flag.

Most of the lives were lost when the motor lifeboat capsized.

A member of the crew said: "I saw the Captain picked up."

Herbert Knight, a steward, said: "I had just finished serving coffee after luncheon when the torpedo hit us."

"I was on the Lupatana in the last war when she was torpedoed, and this is the third time I have been torpedoed in this war."

"The passengers and crew behaved wonderfully, but nobody had any time to collect their belongings."

"I understand the submarine was sunk a few hours later."

The Accra is well known on the African coast and has been engaged in the Liverpool-West Africa service.

Skipper Interviewed  
Captain John Joseph Smith told an interviewer that the officers and crew displayed great courage and coolness after the explosion and in the rescue operations. They might have been queuing up for passengers for a cinema show, so quietly and coolly did they go about the work of marshalling those aboard.

Captain Smith added that the passengers were having lunch when the torpedo exploded and they fled out of the dining room in orderly fashion. There was abundance of room in the life-boats and most of the loss of life was due to the overturning of a motor-boat and direct hits on the liner.

Men in the life-boats sang "There Turn to Page 5, Fifth Column

## Thyssen Works Disorganised

### Telling Effect Of R.A.F. Raids

LONDON, Aug. 7 (Reuter).—A neutral journalist, who has been allowed to see some of the results of the bombing of the Thyssen Works near Dusseldorf, reports that he was told that the Works and vicinity have been raided 28 times and Dusseldorf 18 times during the past three months.

Factory officials told him that 20 workers went to air raid shelters during the raids. Many German factories start work later so that the workers can make up for the sleep lost during air raids.

Laboratory Badly Damaged  
He saw a laboratory which was badly damaged by one bomb during a three-hour raid on June 16.

German Air Force Officers told him that an area of 1,000 square yards had to be cordoned off around any R.A.F. bombs which did not explode. He was also told that plans have been made to move 40,000 workers to new quarters if the R.A.F. raids are intensified.

## KIDNAPPINGS IN SHANGHAI

SHANGHAI, Aug. 8 (Reuter).—Terrorists were active again here early to-day, three kidnappings in two hours claiming four Chinese victims.

At least one case is known to be political.

Two Chinese were kidnapped from a hotel in the Settlement.

Bishop John, head of the Russian Church here, is the latest foreigner to receive a threatening message.

## HONGKONG INVITED TO EMPIRE PARLEY

THE Viceroy of India has invited the Government of Hongkong to send a representative to an economic conference of the British Empire east of the Suez, which will open at New Delhi on October 10.

The "Telegraph" understands that no decision has yet been reached regarding the Hongkong representative.

The object of the conference, it is reported, is the reinforcement of material supplies to Great Britain from the Empire east of Suez.

### Africa To Follow Suit

A report from Nairobi states that a similar conference of British

colonies in Africa will be held at Kenya at the same time.

Attending the conference at New Delhi will be representatives from Australia, New Zealand, the Union of South Africa, India, Malaya and other parts of the Empire east of Suez, in addition to Hongkong.

In addition to considering ways and means of reinforcing Empire aid to the Mother country, the New Delhi conference will discuss intra-Empire economic unity.

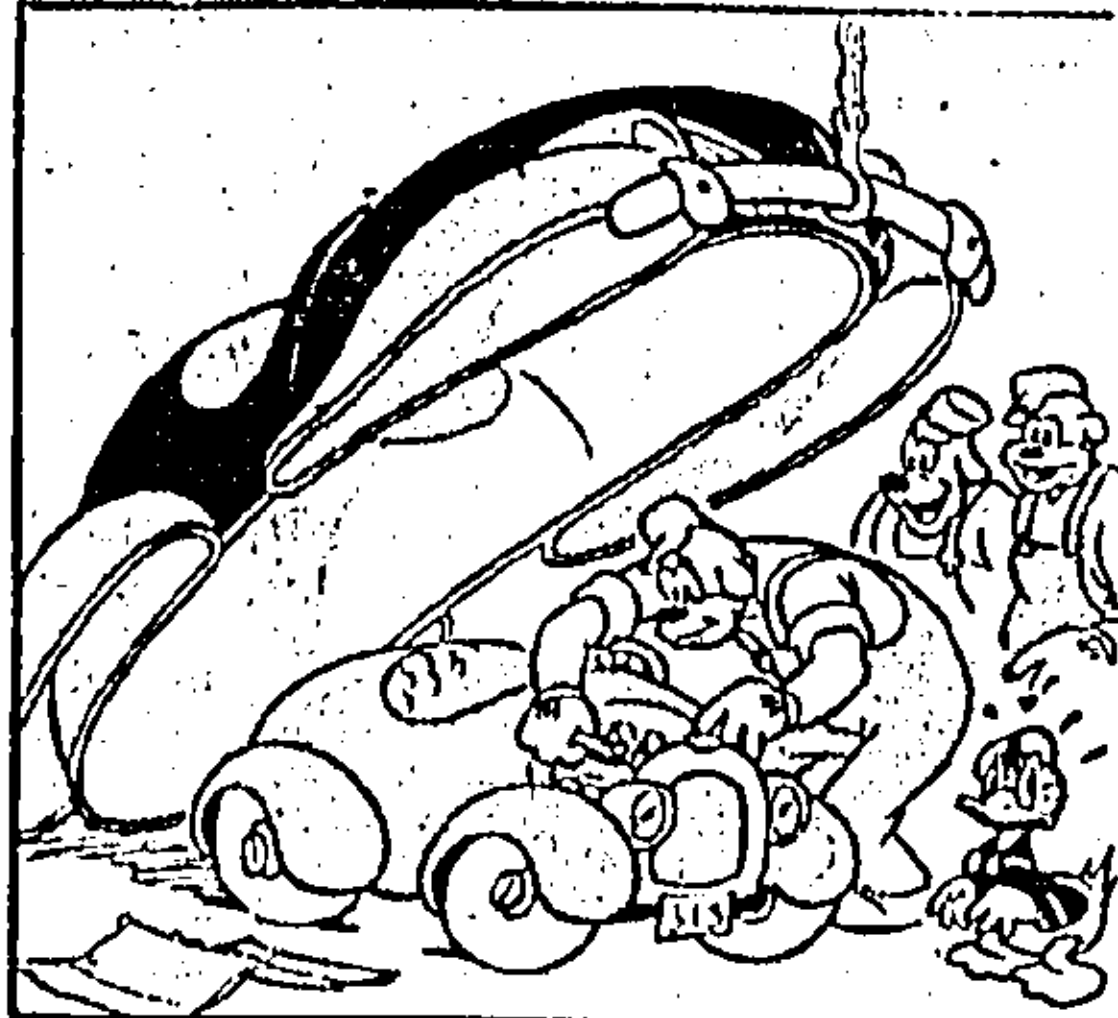
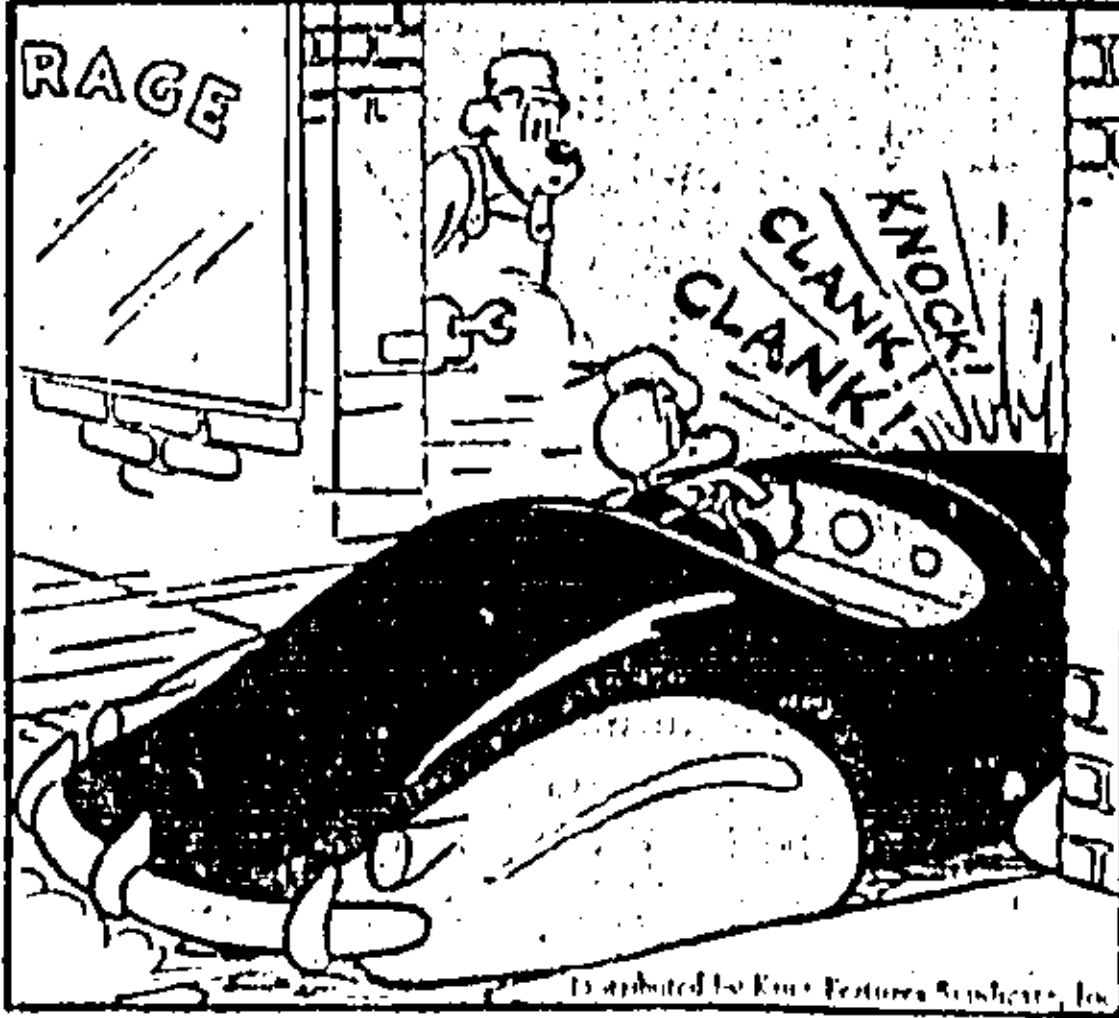
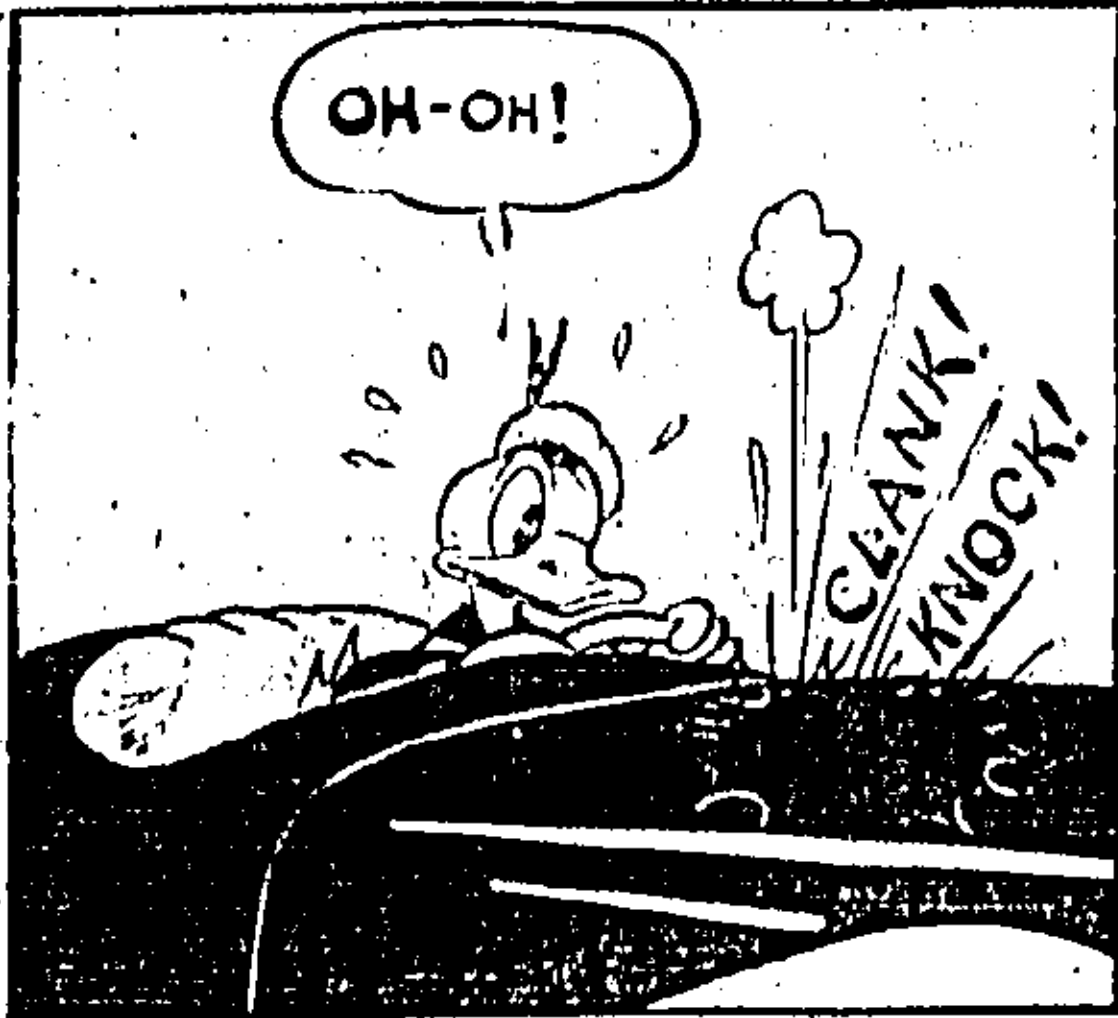
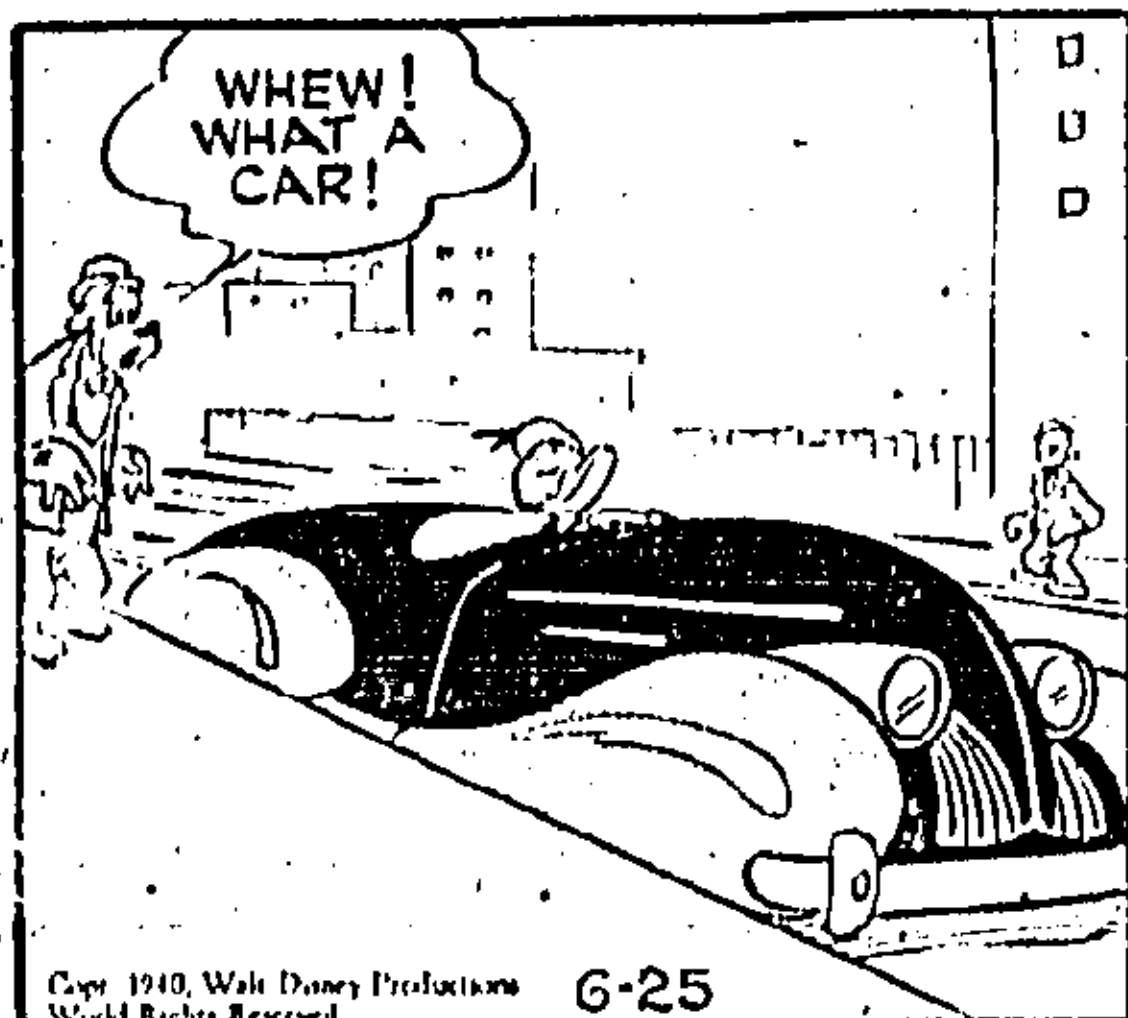






# DONALD DUCK

By Walt Disney



**OSBORN'S**  
CELEBRATED  
**PATUM PEPERIUM**  
THE GENTLEMEN'S RELISH.  
\$1.50 per jar.  
\$4.35 per 3 jars.  
HIGHLY RECOMMENDED FOR TOAST,  
CRISP BREAD, BISCUITS, ETC.  
**LANE, CRAWFORD, LTD.**  
TEL. 28151

## MAGAZINE PAGE



### MEDITERRANEAN WAR MAP

**THIS** map shows the area of Europe and Africa affected by the entry of Italy into the war on Germany's side. Italy has, as the map shows, many possible directions for her initial attacks, but whatever she undertakes will obviously fall into the pattern of German strategy. Recent Italian claims have demanded Gibraltar, Malta, Suez and Palestine from the British. These may forecast attacks by air and sea. Suez and Palestine are within range of the strong Italian bases in the Dodecanese Islands. Malta has the fortified Italian base of Pantellaria Island as close neighbour. Gibraltar would only be in

ports would at the same time offer bases from which to interfere with sea communications—especially with Turkey. Italian action from her African possessions of Libya, Eritrea and Abyssinia would from the start be handicapped by the impossibility of maintaining supplies by sea; for in any Mediterranean operations the Italians must reckon with British naval superiority. One thing is clear; Italy, in entering this war with Germany will be the one certain loser. A German victory will leave Italy as much in a state of vassalage to Hitler as it would Britain and France, and from an Allied victory Italy could expect scant mercy.

Other land operations Italy might undertake in Europe could be attacks from Albania on Yugoslavia and Greece. The former would affect the whole balance of power in the Balkans and might in turn involve Russia in some protective pro-Slav action. The latter would be made with the object of securing the Greek seaports against possible Allied footholds. These

### Footnotes to History

Armoured warships have so completely revolutionized naval warfare that the general American reader, knowing the importance of the invention, but lacking knowledge of its true birth, is filled with pride in the feeling that for the first time in history ironclads were used in the struggle to preserve the Union. The bloodless battle between the Monitor and the Merrimac, off Hampton Roads on March 9, 1862, is pointed out as the inauguration of the use of ironclad vessels. This is not the precise truth. For, in 1855, during the Crimean War, Capt. Cowper Coles of the Royal Navy had ingeniously out-fitted a raft with iron-plated protection, and boasting a revolving 32-pounder that rotated without the use of spikes or tackle. The experiment had been born as a result of the hot fire of the Russian guns defending Sebastopol, but never went beyond the embryo stage. In the summer of 1861, the Confederate engineers raised a sunken Federal frigate, the Merrimac, the after cutting it down to the hull, dressed it in iron plates. This apparent freak created havoc among the Union flotilla, threatening to annihilate the entire fleet. But the following spring, Capt. John Ericsson, a Union engineer, constructed the ironclad Monitor as a counter-weapon. The subsequent battle was indecisive except for the fact that it halted the destruction of the Northern armada by the South. Its greater significance lies in the fact that it ushered in a new era of naval fighting, that of the steel battleship, and sounded the knell of wooden warfare.

### Daily Quotation

**THE ELECT** are those who put life into one, who give courage to the faint-hearted; hope out of their own heart's constancy.—LADY RITCHIE.

without prospects and scarcely able to scrape together a living. At twenty-eight, he was a millionaire. At thirty-eight, he retired from money-making, resigning all directorships and, later, passing over the controlling interest of the Daily Express to his eldest son. How did he do it? He became secretary to a man with great commercial interests, won his employer's confidence by demonstrating a gift for salesmanship and a brilliant, trading instinct. Soon, he was handling huge business deals.

### HERE IS A FOOTBALL POSER



**FOUR** teams—the Lions, the Tigers, the Panthers and the Bears—formed a miniature football league. Each team played one match against each of the other three, two points being awarded for a win and one point for a draw. Eleven goals in all were scored, five of them by the Lions. In their match against the Bears, the Lions won by two goals to one. The Tigers amassed five points in all; the Lions, three points; the Bears, one point. What was the score in the game between the Bears and the Tigers?

### SOLUTION

The Tigers beat the Bears 1-0. This is a problem in deduction. 1.—It will be found that the Tigers must have won against the Lions; otherwise more than 11 goals are required. 2.—Also all the Panthers matches must have been pointless draws. 3.—One goal is left unaccounted for; and, since the Tigers won their third game, the result must have been as above.

launched the abortive Empire crusade, which resulted in Mr. Baldwin's plaint that Lord Beaverbrook had a "personal vendetta" against him. In its headlines, he assured his readers that there would be "no war this year or next year." And since the war started his pen has been hard at work. Beaverbrook has often been wrong, but he has never been beaten. At the age of sixty-one this month, he tackles the job of his career. We may all be thankful that he has agreed to do so.

### BRITAIN'S LEADERS: No 2

## MINISTER FOR AIRCRAFT PRODUCTION: LORD BEAVERBROOK

**THE** new Government has only one Member who, in public life, has inflamed more controversies and fanned more feuds than its Prime Minister. He is the man whom Mr. Churchill chose as Britain's first Minister for Aircraft Production. It wanted a war to make Churchill Prime Minister; it needed a Churchill to coax Lord Beaverbrook off the front page of the Daily Express and to harness the resources of that human power station to the machinery of government again.

In accepting office, Lord Beaverbrook becomes the only member of the new Government who shares with Mr. Churchill the distinction of having held important ministerial rank in the Coalition which led us to victory in the last war.

Towards the end of 1917, Lloyd George invited Beaverbrook to become the first Minister of Information. But those who hoped that Beaverbrook would become Minister of Information again were disappointed. At the outbreak of war he let it be known that, if the post were offered to him, he would refuse it.

It was thought to be Lord Beaverbrook's intention to refuse Government office altogether. Instead, Mr. Churchill has persuaded him to accept an appointment in which success is as vital to our war effort as Lloyd George's appointment to the Ministry of Munitions in the last war.

Now, the astonishing genius which transformed the penniless son of a Presbyterian minister into a millionaire at twenty-eight, established an unknown Canadian as a dominating figure in politics in his early thirties, and boosted a derelict newspaper into a position of world importance in its proprietor's middle life, is devoting his powers to the immense and momentous task of giving the Allies numerical superiority in the air. Deliveries from the United States have fallen short of hopes. The



Most unexpected, most impressive of Mr. Churchill's Cabinet changes was the appointment of Lord Beaverbrook as Minister for Aircraft Production.

Beaverbrook press—which, officially, Lord Beaverbrook no longer owns, and with the views of which, officially, Lord Beaverbrook does not necessarily agree—has been campaigning the Government to depend not on America, but on increasing the production of our own aircraft factories in this country. Now it is Beaverbrook's job to answer their demand. His first aim in life—when he was Mr. William Maxwell Aitken, the sixth son of an evangelical minister, with very faith and limited income, in New Brunswick, Canada—was to make money. At twenty, he was penniless,

## Whiteaway's GREAT SUMMER



### NOW PROCEEDING

IN TIMES LIKE THESE YOU NEED GOOD BARGAINS TO BRIGHTEN YOU UP—COME IN AND ENJOY YOURSELF AT WHITEAWAY'S SUMMER SALE.

- LADIES' DRESS MATERIALS ..... from \$1 yd.
- COTTON AND LINEN DRESSES ..... from \$3 ea.
- PURE LINEN SUITS ..... from \$7.50.
- ALL COSTUME JEWELLERY ..... loss 25%.
- CORSETS ..... from \$3. HATS ..... \$2, \$3 & \$5 ea.
- ALADDIN SILK STOCKINGS ..... \$2.50 pr.
- LADIES' TENNIS SHOES ..... from \$1 - \$2.95 pr.
- DRESS FLOWERS ..... loss 25%. GLOVES ..... \$1 pr.
- SHORTS & SLACKS ..... \$5 pr.
- CHILDREN'S DRESSES (Amer. made. All sizes) ..... \$5.
- LADIES' LOCKNIT KNICKERS ..... \$1.50.
- LACE TRIMMED LOCKNIT VESTS ..... \$2.25.
- CUSSON'S ASS'D TOILET SOAP ..... 5 for \$1.
- FACE FLANNELS ..... 3 for \$1 and 4 for \$1.
- NAIL BRUSHES . . 2 for \$1. TOOTHBRUSHES . . 40c. ea.
- TALCUM POWDER, large tin ..... 60c.

## Whiteaway, Laidlaw & Co., Ltd.

Get Kotex today!

Learn what real comfort means. For Kotex has soft folded centers—flat, tapered ends and moisture-resistant "safety panels." Regular . . . Junior . . . Super



## Passport Photos Executed Promptly

### MEE CHEUNG PHOTOGRAPHERS

15, 23, Ice House Street. Tel. 26379.





## WATSON'S Borated TALCUM POWDER

IN TWO DELIGHTFUL  
FRAGRANCES

**LAVENDER  
OR  
ROSE**

WITH MILD ANTISEPTIC QUALITIES  
—FULFILLING ALL THE REQUIRE-  
MENTS OF A TOILET POWDER  
FOR GENERAL AND NURSERY USE.

IN LARGE SPRINKLER-TOP  
CARTONS ..... 80 cts.  
REFILLS ..... 60 cts.

**THE HONGKONG DISPENSARY**  
A. S. WATSON & CO., LTD. TEL. 20016.

## JUST ARRIVED NEW "H. M. V." RECORDINGS

- BD 820 Pinocchio-Selection. Reginald Forst (Organ).  
BD 830 Where or When. Pat Kirkwood.  
Oh, Johnny.  
BD 820 I've got no Strings. Pat Kirkwood.  
Three Cheers for anything.  
BD 828 It's a lovely day to-morrow. Al Howlly.  
Careless.  
BD 9030 Rosita. Webster Booth.  
When you wish upon a Star.  
BD 9031 A kiss in the Dark (Herbert). Webster Booth.  
Indian Summer.  
BD 9032 Someday (Victor Herbert). Allan Jones.  
Thine Alone (Victor Herbert).  
J.O. 5 Mula Junta-Tango. Argentin Orchestra.  
La Tumbada-Tango.  
J.O. 2 Chagrin D'amour-Tango. Mario Meli Orchestra.  
Tango Chinois.  
J.O. 4 Elegante Papiruse-Tango. Argentin Orchestra.  
Mallincola-Tango.

**S. MOUTRIE & CO., LTD.**  
York Bldg. Tel. 20527. Chater Road.



- 1 Beautify Your Home
- 2 Make Housework Easy
- 3 Protect Floors, Furni-  
ture and Woodwork

with

## JOHNSON'S WAX POLISH

The world's finest polish...  
yet economical to use! That  
is why fastidious housewives  
use only famous JOHNSON'S  
WAX. Gives exquisite  
beauty, protects against wear,  
makes cleaning easy. For  
floors, furniture, woodwork,  
leather goods, etc.

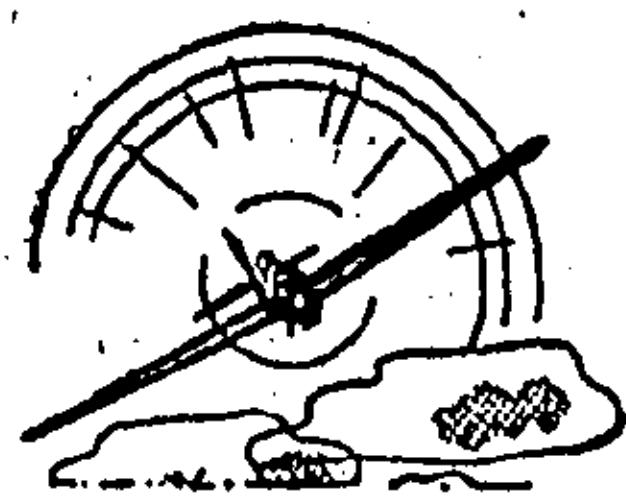


Clean, Beautiful, Protects  
BUY A CAN OF JOHNSON'S  
WAX TODAY... FINEST  
...YET ECONOMICAL!

For sale at leading de-  
partment, hardware,  
paint and grocery stores.

Made by S. C. JOHNSON & SON, INC.  
RACINE, WISCONSIN, U. S. A.

## "GRADUATE IN THE AIR"



The school provides the finest and  
most complete training in all flying  
subjects. Be taught by men who  
are not merely ordinary pilots or  
engineers but who are professional  
instructors, whose business is  
teaching.

BE TAUGHT AVIATION BY EXPERTS

AT

**HONG KONG AIR UNIVERSITY**

For Prospectus apply

**FAR EAST FLYING TRAINING SCHOOL LTD.**

(Contractors to the British Air Ministry and the Hong Kong Government.)

KAI TAK AIRPORT HONG KONG

## Most Famous "Fourteen" in the World! VAUXHALL 14-SIX

30 m.p.g. with normal  
driving.

Successive editions of the  
Vauxhall "14" have led in their  
class since the first was intro-  
duced in 1933.

This new model has all the  
basic features that have led to  
that success, but it is more  
luxurious. It has been still  
further improved in appearance,  
riding comfort, appointments and  
so on.

If you want real luxury motor-  
ing and "big car" performance,  
at the lowest possible first cost  
and running costs, the Vauxhall  
"14" deserves your very serious  
consideration.

Without obligation you will  
be given a demonstration.

**HONGKONG HOTEL  
GARAGE**

Stubbs Road Tel. 27778-9

## The Hongkong Telegraph

Thursday, August 8, 1940.  
Wyndham St., Hongkong  
Telephone: 28015

THE prefix "Special" to the "Telegraph"  
is used by the "Hongkong Telegraph" to  
indicate news which is strictly copyright  
under the provisions of the Telecommuni-  
cations Ordinance, 1936. Such news is  
bears the indication "SP" is received in  
Hongkong on the date of publication by  
the United Press Association, who re-  
serve all rights and forbid republication,  
either wholly or in part without previous  
arrangement.

## SOMETHING TO THINK ABOUT

Japan has apparently decided on a  
change in policy and is contemplating  
action which she feels will  
realise her aims. One naturally asks  
what are the prospects for her in  
this quest for hegemony in Asia.  
She starts off with a comparatively  
empty treasury and facing an em-  
bargo on essential materials—avia-  
tion spirit and scrap metal—which  
hitherto she has been able to import  
from the United States. Fifty-six  
per cent. of her requirements come  
from that country.

This seems to indicate that Japan's  
trade must immediately suffer eclipse  
since her merchandise could hardly  
export to trade with Europe, India  
or—Australia—on anything like the  
same scale. Japan more than any  
other nation depends on trade for  
her internal economy. Unlike China  
she is not self-supporting, and she  
cannot divert the materials she re-  
quires from China, now so bitterly  
hostile.

Japan's greatest anxiety must be  
her precarious position in China,  
where she can neither complete her  
task of conquest, nor gracefully  
withdraw from the unhappy adven-  
ture. The more anxiety she displays  
in trying to conciliate China the  
more she acknowledges her own  
weakness. Japan cannot hope to  
win over China to her side after the  
way she has mercilessly and ruth-  
lessly destroyed her cities, and  
rendered millions homeless.

It is the business of statesmen to  
envisage the future, and the wisest  
of them are those who take into their  
purview the numerous factors which  
are at work moulding that future.  
If an important element is omitted,  
then the policy which is followed  
leads not to good fortune but disas-  
ter. The factor which Japan cannot  
ignore in the estimate they make is  
the policy of the United States. So  
far they know that the United States  
will not view with indifference any  
alteration in the status quo of the  
Netherlands. Mr. Cordell Hull, the  
Secretary of State, has made that  
statement and has not retracted it.

There is no reason to suppose that  
Germany or Italy would allow Japan  
to retain any conquests if they were  
successful in Europe, and certainly  
she could not hold them if they were  
not successful. What must give  
Japan further cause for fear is the  
fact that Germany's much vaunted  
attack on Great Britain has not  
materialised, and so much was the  
situation changed that such an at-  
tempt at landing would now be  
almost welcomed in the British as it  
would give the army of the Empire  
an opportunity which it really seeks.

Britain's sea power is unquestioned  
and is growing stronger, and at the  
end of the war will be of enormous  
strength; for quite clearly the Italian  
fleet cannot destroy it and the Ger-  
mans have not the means of doing  
so. That is the first reason for the  
delay in the "blitzkrieg". The second  
is the destructive power of the  
British Air Force, which is relent-  
lessly, day and night, demolishing

DEAR JOHN,

NOW that normal life is  
about to be interrupted  
and neither of us can  
be sure when or where we  
shall next meet, there are  
one or two things I feel I  
should like to say to you.

We are both fortunate that you  
are still at school while the world is  
occupied in turning itself upside  
down. When the time comes for it  
to right itself again, you will have  
a tremendous part to play—however  
small, it will be tremendous. Seeing  
what a mess my generation seems  
to have made of its job (although  
the fact that 50 nations joined in  
sanctions against Italy in 1935 shows  
how near we got to our goal of  
abolishing war), we haven't the right  
to tell yours anything: you must find  
out for yourselves.

Historically, my generation doesn't  
matter in the slightest any more.  
We are the past. You are the fu-  
ture. The qualities you will most  
need in the next few years are self-  
reliance and adaptability. The  
world you are growing up into will  
be a very different world, and a  
hard one. It will demand discipline  
of you, and service, and I know you  
will give them, because I have noted  
the beginning of a new spirit moving  
in you and your friends.

I was born just too soon to avoid  
expecting a measure of certainty  
from life—peace, social stability,  
even a degree of enjoyment seemed  
a part of one's birthright. You will  
at least not make that mistake! And  
if by any chance these things are  
added to you all the more precious  
for not having been expected.

What a situation! And yet do you  
know, at this moment when our  
country is in acute peril I don't feel  
despondent. I actually feel excited,  
even elated. So much that has been  
rotten for so long and seemed to be  
indestructibly entrenched is about to  
be consigned to the rubbish heap.  
The very pace of this catastrophe is  
a reassurance.

With what astonishing rapidity  
things that seemed part of the regu-  
lar pattern of our lives have sudden-  
ly become meaningless. I took Peter  
for a walk on the hills yesterday.  
You know how beautifully careful  
we have always been in this little  
feudal corner of England to conform  
with the social code and to keep  
Peter on the leash going through the  
pleasant woods? Well, yesterday  
when I got to the woods something  
went snap, and I let him off.

Suddenly—the pheasants, and his  
Lordship, and the whole elaborate,

# LETTER TO MY SON

ramshackle structure for which they  
stand, seemed supremely comic and  
irrelevant. Away went Peter, put-  
ting up those ridiculous birds like a  
lot of scandalised readers of  
"Punch," and away went the social  
order! I haven't felt so carefree for  
months!

But that is only one small bit of  
it, and perhaps not a particularly  
edifying bit. One's personal emo-  
tional releases are not important  
these days. It seems to me that,  
black as things are for us now, and  
whatever the immediate outcome,  
the prospects for the world are by  
no means hopeless.

Though we are engulfed in the  
greatest war in history I feel posi-  
tively optimistic about possibilities  
of abolishing wars in the future.  
Seeing that I have already been  
through one war to end war, does  
that sound mad? Some of the fac-  
tors of current weakness in the de-  
mocracies may themselves actually  
be symptoms of a better order  
emerging.

ONE of the things that has so de-  
pressed us has been the reluctance  
of the free democracies to prepare  
themselves for defence and (so far  
as the small ones were concerned)  
to fight for their freedom when the  
time came.

But growing detestation of war,  
bred from their experience of the  
sufferings and futility of the last one  
(and coupled with the tremendous  
change in outlook brought about by  
the growing ease of communications,  
which makes national boundaries  
look silly) has set in motion some-  
thing historic.

Peoples have begun to question  
whether national sovereignty is any  
longer the supremely important thing  
it was. Hence their half-hearted-  
ness about its defence. I say "be-  
gun," because it was, at the time it  
was caught, only a partially-  
formed, almost sub-conscious idea.  
This gave brute force its chance.  
But the tendency is good.

The small Powers have been  
caught midway in a tremendous  
political movement—but the end of  
the movement, don't you see, is  
Federation. What, for the moment,  
has proved a decisive weakness (con-  
taining the seeds of strength and  
sanity. And it will develop.

Then again, the whole character  
of warfare is changing. In the old  
days soldiers manning the front line  
were sustained with the knowledge  
that they were protecting their wives  
and children. To-day they have no  
such certainty. While they are busy  
in the line their wives and children  
may be bombed to smithereens be-  
hind their backs. That makes a tre-  
mendous psychological difference—  
and it's not a difference that favours  
the survival of war.

THERE'S another thing, too.  
We have all heard people pro-  
testing against the savage dis-  
regard of the "rules" of war-  
fare.

There aren't any rules of warfare:  
war is a breakdown of rules. For a  
period of history (in the seven-  
teenth and eighteenth centuries pre-  
eminently) monarchs waging war on  
one another agreed on certain rules  
of war because it was necessary for  
them, in the midst of their aggrava-  
tions, to avoid a disturbance of the  
social order from which they  
derived their privilege: upset it, and  
they were gone.

But revolutionary wars are dif-  
ferent—and this is a revolutionary  
war. Hitler doesn't give a damn  
about upsetting the social order in  
the democracies—in fact, he has ad-  
vertised that it is one of the things  
he is after. When we have got it  
into our heads that this war is only  
th military manifestation of a vast  
social, economic and political up-  
heaval that is shaking and remould-  
ing the whole world we shall feel  
better about it—and we shall stop  
talking nonsense about "rules." (And  
after all, even the Nazis have been  
ruthless to a plan.)

Our country is about to undergo  
sufferings more terrible and wide-  
spread than any that have happened  
to it since the Black Death, but  
don't let us flatter ourselves that  
even if all of us and of our order  
went down in ruin Freedom would  
perish from the earth. Freedom  
will not oblige the Dictators by  
doing any such thing. It is of far  
too deep and sturdy a growth for  
that—and my generation, though we  
have talked and written so much  
about preserving it (and, to do us  
justice, have even done our spot of  
fighting for it) are certainly not its  
last and only guardians.

Besides don't forget our talks  
about what Freedom is. It is by no  
means the same thing for you and  
me as it is for Clegg, the road-  
mender, or for the miners' sons you  
were in camp with last summer.  
There must be suffering and dark-  
ness first, but out of the new dis-  
pensation, in the end, a new freedom  
will spring, and a better freedom.  
Revolution is always cruel, but it is  
seldom barren.

And the suffering and darkness  
are probably necessary now. We  
have earned them with our indol-  
ence. You know the tag about a  
people getting the Government it  
deserves. I have never thought that  
true; but if one were to judge the  
democracies by their rulers, one  
would certainly have to call them  
effete. Complacent, unimaginative,  
indifferent to suffering at home or  
outside—too comfortable, in fact.

Our rulers have foreseen nothing.  
To-day France and ourselves are  
falling on America. Yesterday  
China, Abyssinia, Spain, Czecho-  
slovakia called on us—and got no  
answer. We are left to fight alone  
now because we would not fight to-  
gether when we had the chance and  
the duty. All the democracies have  
let down all the other democracies:  
the only thing they have done col-  
lectively is to suffer from a common  
atrophy of will.

The decent people of this island  
don't deserve such rulers—though,  
perhaps, some of us who saw what  
was happening and tried to say so  
were not faithful enough in our pro-  
tests: when normal channels of pub-  
licly proved insufficient we didn't  
throw up our job and go out into the  
streets and factories to agitate and  
organise.

WELL, now—whatever hap-  
pens—there is going to be a  
radical change. Good-bye to all  
that. And this it is that fills me  
with hope and even a kind of  
joy, though I suppose we are  
about to see the end of many  
things that I personally treas-  
ure.

We have often agreed that this is  
a war of ideas, but so far all the  
ideas have been on the other side.  
That is why the other side has out-  
marshalled us at every point in the  
game. There has been no inspira-  
tion here—and, since Munich, too  
little conviction.

Well, now it is the people's turn.  
What we need to arm ourselves with  
in this country, to-day is not only  
guns but brooms. And when both  
the guns and brooms have done  
their job, you and your friends can  
get busy on the site that has been  
cleared and start building a new  
world.

I hope you'll do well in the swim-  
ming next Saturday.

Your affectionate  
**FATHER.**

## Will America Come In?

THE American Institute of  
Public Opinion has over  
the past months been taking  
a census of American opinion  
on the question: Do you think  
the United States will go into  
the war in Europe or do you  
think we will stay out of the  
war?

The trend of American  
opinion has been as follows:

1939	U.S. will	U.S. will
October	go in	stay out
	46 p.c.	54 p.c.

1940	U.S. will	U.S. will
February	32 p.c.	68 p.c.
May	51 p.c.	49 p.c.

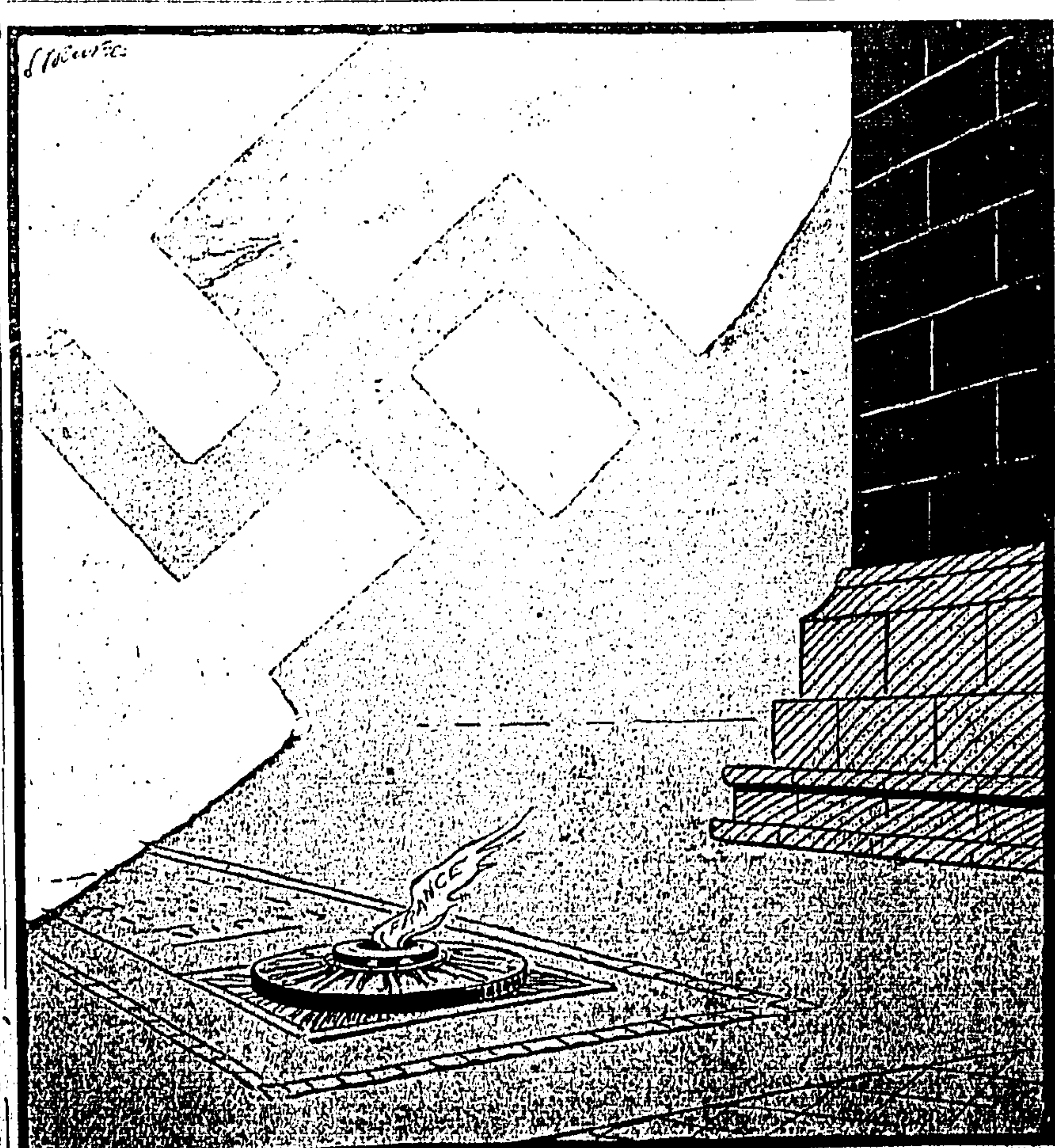
The questions for the May  
result were asked after May  
14, the day of the German  
break-through at Sedan.

Since the Norwegian cam-  
paign and the beginning of  
the Low Countries offensive  
there has been a sharp drop  
in the number of Americans  
who feel confident of an  
ultimate Allied victory.

Eight months ago 82 per  
cent. thought the Allies would  
win, 7 per cent. thought that  
Germany would win and 11  
per cent. held no opinion. In  
the first week of June  
55 per cent. thought the  
Allies would win, 17 per cent.  
that Germany would win and  
28 per cent. held no opinion.

Germany's inadequate stocks of  
petrol, and at the same time making  
her ports untenable. That air force  
is not only superior in skill and  
courage, but also in quality of  
machines. These machines are being  
added to monthly by the enormous  
output in Britain, the United States  
and in Canada.

These are factors that a wise  
Japanese statesman will consider be-  
fore he embarks upon a policy which  
is fraught with such danger.



UNDYING FLAME



## SHIPPING GAINS

Britain Adds 10,000,000 Tons To Her Service

LONDON, Aug. 7 (Reuter).—As a result of the German invasion of Poland, Norway, Denmark, the Low Countries and the collapse of France, the shipping strength of Great Britain and the Dominions has been increased by over 10,000,000 tons dead weight.

This was disclosed to-day by the Ministry of Shipping. It is pointed out that not all these ships are being used in trade with this country, but are distributed all over the globe, free to engage in every kind of trade except contraband trade with the enemy.

About 5,000,000 tons are Norwegian, 3,000,000 tons Dutch and 500,000 tons under the control of the Belgian and Polish governments.

All are ships of 500 gross tons or more.

**Under Ministry's Control**  
In addition, there are now, under the direct control of the Ministry of Shipping, three important categories of foreign shipping.

Firstly, there is the Danish shipping, amounting to about 500,000 deadweight tons. Because of the circumstances in which the independence of Denmark was extinguished, there is no alternative to transferring these ships to the British flag.

Secondly, French shipping under British control amounts to about 500,000 deadweight tons. In order that they be free to assist the common war effort, these ships were requisitioned after France's signature to the armistice. They will sail under the British flag but will also fly the French flag.

The Ministry adds that many French officers and seamen have accepted Britain's offer to remain in the employment in these ships on the same terms as British officers and seamen.

Thirdly, there is a great number of ships of various neutral countries on time charter to the Ministry of Shipping. They now amount to 1-250,000 deadweight tons.

## The Cudahy Interview

Washington Wants The Text

WASHINGTON, Aug. 7 (Reuter).—The State Department has asked Mr. Joseph P. Kennedy, the U.S. Ambassador in London, to supply the complete text of the interview given to the Press in London yesterday by Mr. John Cudahy, the United States Ambassador to Belgium.

In this interview, Mr. Cudahy defended King Leopold's decision to surrender and he was reported to have forecast a condition approaching famine in Belgium in winter falling supplies from outside.

Mr. Sumner Welles, the Assistant Secretary of State, said the interview was given without prior consultation with or authority by the State Department.

## ITALIANS BOMB WAJIR

NAIROBI, Aug. 7 (Reuter).—Today's communiqué states: "Yesterday two enemy aircraft bombed Wajir without success. They were pursued by our fighter aircraft. It is reported that one enemy machine, both escaped in the clouds."

## THE BIGGEST LAUGH HIT OF THIS OR ANY SEASON

TIM'S A BIG HE MAN... HE AIN'T NO LADY... But imagine his embarrassment... HE'S GOING TO HAVE THE BABY!



Hal Roach presents

TURNABOUT

ADOLPHE MENJOU • CAROLE LANDIS  
JOHN HUBBARD • WILLIAM GARGAN  
VICTOR J. BEARD • MARY ASTOR

NEXT CHANGE AT THE KING'S

## STRENGTHENING SINEWS OF WAR

FROM PAGE ONE

famine, for which his aggression and conquest are responsible, has condemned considerable areas of his newly-acquired territory. "A multitude of refugees have been trampled on growing corn. His tanks have devastated much of the countryside and his own crops are not very good this year. Next spring he will begin to feel the pinch of the food problem even more seriously than now. He will continue the making of war material but some of his chief industrial areas and aerodromes have suffered very heavy punishment.

"Oil refineries, stores, railway junctions, marshalling yards, docks and ships have been and will continue to be targets for our deadly bombing planes night by night, week by week, more heavily as our bombing strength increases.

**Heavily Damaged**  
"His output undoubtedly has been very seriously interfered with. It will be difficult, if not impossible, to repair the damage to productive enterprises, lines of communication, etc., for a considerable time. He will need to draw more and more on his reserves and more vigorously he must prosecute the war he is waging."

"He will find it increasingly difficult to replace the losses. Measures have been taken to ensure that Hitler shall not draw sustenance from foreign sources. Not only Germany but the controlled territories will be unable to carry on trade on any scale with the outside world.

**Extensive Blockade**  
"The blockade operates over a wide area which must become more and more impoverished as its trade arteries are cut. Hitler will continue to seize all food and materials he can from the ever-ran territory, but once he has despoiled his victims, his supplies will either cease or become less plentiful.

"Hitler boasts that he possesses unlimited quantities of iron. Iron he possesses in great quantities and he probably has no need to fear a shortage of aluminum. But his coal situation is different and his supplies henceforth will be seriously short. He may sit upon mountains of iron ore but as he has not the coal whereby it can be smelted, it will not be of first class military value.

"In a normal year this country exports some 30,000,000 tons of coal to the continent of Europe. None of that henceforth will fall into the hands of Germany.

"As regards oil, of 20,000,000 tons normally consumed throughout Hitler's territories per annum, he can hope to produce or procure not more than one half.

**Strain Will Be Great**  
"These are mere pointers to the situation in which Hitler finds himself economically. It and when the pinch comes as it will sooner or later in a 100 different directions, it is a matter of doubt whether the subdued people of Germany and other lands will be able to stand the strain. Yet we must not for a single moment underestimate the power arrayed against us.

"The German mind and strength have been devoted to single purpose—preparation for the strongest and most terrible fighting force the world has ever seen.

"The German economic system has been for some years on a war footing. We must remember that we have not yet felt the full brunt of Hitler's blow.

"We have proved that we are capable of becoming as efficient for war purposes as the dictator, but we are still in the process of the change-over from peace to war economy. We have got to make the best of our resources which must be directed to the national life and effort necessary for a victorious conduct of the war and the maintenance of a national spirit.

**We Intend To Win**

"We intend to win this war. The Government do not intend to allow the limit of its prosecution to be anything less than the whole resources of manpower, industrial capacity, finance and foreign assets at our disposal. To achieve the maximum effort, we must plan our economic strategy with the view to the best co-ordination and co-operation of all the agencies concerned."

Mr. Greenwood then detailed the new arrangements made for consideration of a number of economic problems and co-ordination of their economic effort, saying that each main group of problems was dealt with by a sub-committee composed of members of the War Cabinet and the ministers in charge of the departments concerned.

**Serious Problem**  
One of the most important factors in the effectiveness of their economic warfare was to deal with the serious problem of surplus overseas commodities in such a way as to make them an advantage to Britain and a disadvantage to the enemy.

The collapse of France greatly increased the difficulties of production and "we will give complete priority to those essential weapons of war which will provide maximum resistance to the enemy in the shortest space of time. There is need to keep in our minds the possibility of a long war."

"Priority has not worked as well as it should, but having had to make this great spirit for immediate war purposes we are now considering further measures to ensure as far as possible that materials, plants and labour are effectively used to carry out the production programme."

**Industrial Capacity**  
Mr. Greenwood then dealt in detail with the industrial capacity and organization and said that provision had also been made against the destruction of factories from the air with plans for rebuilding and for moving of reserve plants.

He recalled his statement on July

## Exchange At A Glance

SELLING

T.T. London	1/2 3/4
Demand London	1/2 3/4
T.T. Shanghai	305
T.T. Singapore	52 1/2
T.T. Japan	50 1/4
T.T. India	22 1/2
T.T. U.S.A.	22 1/2
T.T. Manila	44 1/4
T.T. Batavia	41 1/4
T.T. Bangkok	149 1/4
T.T. Saigon	86 1/4
T.T. France	Nom.
T.T. Switzerland	85 1/4
T.T. Australia	1/0 1/4

BUYING

4 m/s L/C London	1/3 1/4
4 m/s D/P London	1/3 1/4
4 m/s L/C S.A.	23 1/4
4 m/s France	Nom.
30 d/s India	84 1/4
U.S. Cross rate in London	4.02 1/4
U.S. Cross rate in N.Y.	3.93 3/4

11 in the House of Commons regarding new organization to deal with purchases in North America through the Canadian and United States channels following dissolution of the Anglo-French organization.

The new organization had been actively at work for some weeks. The United States Government was engaged in an effort of national rearmament and mobilising American industry for that purpose.

While, therefore, but a few months ago Britain was placing orders with American industry to supplement the deficiencies in the combined Allied production, they had now the need to embark on a much more extensive programme which must be related to the American national defence preparations.

Therefore the House would readily understand the complexity of the question involved in the task of the British Purchasing Commission in New York.

"At the same time we need both in New York and London to coordinate our requirements with those of India, the Dominions and our allies, who must look to us for supplies."

"The United States and Canada have been our two most important potential providers of war material."

**Safeguarding Consumption**  
Continuing, Mr. Greenwood said it was necessary for efficient production of the war that the consumption of the people should be safeguarded and unnecessary hardship avoided.

"The rise in the cost of living is less than the rise in prices generally. Our object is that prices of necessities should be kept down and we are expending considerable sums to do that."

"The policy of anchoring prices of essential commodities will be continued. We believe by these means that we shall ensure the unimpaired health of the nation."

**Not Too Rasy**

"We have taken steps to increase exports and we will do everything we can properly do in that direction. But in the present circumstances, it is clear that the possibilities of increased exports are not too rasy to sing to."

"It is important that we should use foreign exchange as far as we can for the purchases of aeroplanes, munitions etc., abroad. At the same time, we need to retain a proportion of skilled labour on the production of commodities for export in order that our supplies for foreign exchange may be maintained."

"We must limit imports to things essential to the consumption and productive services. At the moment our shipping position is not too bad. The capacity has not been seriously reduced, but we are bound to recognize that our ports and our shipping will be among the main objectives of the enemy's attacks."

"It is prudent, therefore, that our country make as much as we can of its foodstuffs and materials as can be readily stored to build up our stocks against the day when our capacity to import may not be so great."

**Cannot Be Starved Out**

"If the enemy hopes he can starve us out he is very greatly mistaken. Starvation of the people of this country is impossible. Nothing could be more emphatic than that."

Concluding, Mr. Greenwood declared: "Looking ahead, it is necessary to reduce the rate of intake of commodities which are not indispensable. We must use our ship-borne trade for the national cause and public good."

"The House won't expect me to give exact details of the great increases in military production during recent weeks, but I can assure members that very great strides have been made in speeding up the production of aircraft and army equipment. Great strides have been made and greater strides will be made."

"There are shortages of certain materials etc., and we must reckon on difficulties arising from the bombing of factories, foundries, and shipyards, and the mining of ports and the sinking of ships."

"But in spite of all this, there is no real cause for dismay. The monstrously swollen German Reich is already largely beleaguered. It has only limited external supplies, while we can stretch across the seas where the treasures of the world lie and bring them to our shores, and we are assured of the active help of free peoples, and the supplies of the New World to reinforce our own efforts."

**Member's Queries**  
Mr. R. Shawell (Labour) urged an exhaustive survey of the country's economic possibilities, and asked, assuming the war lasts two or three years, has the Government estimated the needs in aircraft, guns, munitions, labour, raw materials and exports? Was there a definite allocation as between actual war essentials and

## SITUATION QUIET BUT...

FROM PAGE ONE

to be sailing on schedule for Indo China ports.

**Official in Hongkong**  
Some interest has arisen locally at the recent arrival here of Commandante Castex, who is slated to be representing the Governor General of Indo China. The "Telegraph" learns that Commandante Castex has conferred with British officials, including the G.O.C. British Troops, during his stay here.

**Grew Calls On Matsuoaka**  
SPECIAL TO THE "TELEGRAPH"

TOKYO, Aug. 8 (Domei).—The United States Ambassador, Mr. Joseph Grew, called on the Foreign Minister, Mr. Yosuke Matsuoaka, at 6 o'clock on Wednesday.

It was understood that Mr. Grew questioned the Foreign Minister about foreign Press reports regarding the Franco-Japanese negotiations on the French Indo-China situation. The Foreign Minister pointed out that the Press reports were "utterly inaccurate."

The Ambassador's move is believed to be indicative of United States concern over the possible developments in French Indo-China.

## MINE-SWEEPER IS SUNK

LONDON, Aug. 7 (Reuter).—The Admiralty announces that the mine-sweeping trawler River Clyde was sunk by an enemy mine. The next day the casualties have been informed.

**THE WAR FUND**

A total of \$1,301,214.55 was reached yesterday by the War Fund inaugurated by the S. C. M. Post, Ltd. Latest subscription: Mrs. A. H. de Rosa, Macao ... 2

exports and the civilian needs, he asked.

Mr. Shinwell declared that according to a reliable estimate Germany has 700,000 men and women training for industry, while we had 20,000 trainees and we envisaged 40,000 being trained this year.

Mr. Shinwell proceeded to talk about unemployment and under-employment in Britain, and suggested that the war that the first step should be to remain unemployed the Government might finance the building up of huge stocks of coal, or divert the miners into the war industries.

He also suggested that in order to meet a German attack on shipping, the Government should consider the possibility of improved and in order to develop a large export trade, manufacturers and export companies should finance it. Individual effort modified or replaced by a full-blooded system of collective production.

Mr. Shinwell added that we could not rely too much on the United States who might be embroiled in a war with Japan. It was better to assume that we must rely on ourselves and to organize accordingly.

**Not Very Convincing**

Sir George Schuster (National Liberal) said that Mr. Greenwood's account was not very convincing and he urged that the first step should be to establish a central directing authority, and that we should aim with the American countries to build up a satisfactory economic regime for the war period to give the inhabitants of these countries a satisfactory basis of life and to deny to their enemies what they needed.

**Rest Of Debate**

Mr. J. C. Wedgwood urged the need of finding markets for our surplus products, giving as instances Gold Coast cocoa and Straits tin and rubber.

Mr. Ernest Bevin, the Minister of Labour, declared that there was a plan for labour and the plan was working. He said that "while the Government was doing all they could to train men for industry, they were not getting all the help that they might from industry itself."

He concluded: "While we may make mistakes in judgment, we are planning towards securing final victory."

**Reply For Government**

Mr. H. Macmillan, Parliamentary Secretary to the Ministry of Supply, replying to the debate on economic organization in the House of Commons, said the Government's task was even more complicated than turning out war equipment, because war economy itself had to be adjusted to rapidly-changing strategic and tactical considerations.

He could not announce the broad outlines of a large-scale economic plan. The vast scale of events must be borne in mind and the first definite plan was to give every shew of our strength to preparation for the next few weeks and months.

Then it might be possible for the ministers to give in a more completely worked-out form the general system which they were gradually bringing into being over a wide sphere of our national economy.

CHILDREN love its taste  
MOTHERS know it's safe  
**CASTORIA**  
THE CHILDREN'S LAXATIVE

A pure vegetable preparation. Thorough, yet gentle in action. Will not gripe. Try it.

## WAR GUILT TRIAL

French Ex-Ministers To Be Indicted

LONDON, Aug. 7 (Reuter).—"Reuter" learns that the Supreme Court to try the men regarded as responsible for the declaration and conduct of the war opens to-morrow at Riom, ten miles to the north of Clermont-Ferrand.

There is apparently at present no official list of the accused but M. Daladier, M. Mandel, M. Campinchi and M. Delbos, who went to Casablanca after the armistice was asked for, will be closely questioned. M. Daladier, who was Prime Minister of France when war was declared, is now at Orange under a Police guard, awaiting instructions.

**The Central Figure**  
M. Mandel is the only one of the four who is kept under close arrest. He is likely to be the central figure of the trial. M. Mandel never concealed the fact that he is a Jew and in December, 1938, he refused to attend a State reception in honour of Herr von Ribbentrop who had just signed a pact of eternal peace between France and Germany.

To-morrow's proceedings are expected to be purely formal. Thereafter "witnesses" will be examined and individual indictments framed.

## CONFIDENT CAN STOP ITALIANS

FROM PAGE ONE

probably advance along the coast on Alexandria.

**Italians Forcing The Pace**  
CAIRO, Aug. 7 (Reuter).—A communiqué issued to-day states that on August 5 an Italian column entered Zeila unopposed.

On the same day Hargeisa was captured by a strong force which included tanks, artillery, machine-guns and aircraft.

Our delaying force fell back after inflicting severe casualties, including three tanks.

Our casualties were slight.

**Odweina Occupied**  
On the morning of August 6, Odweina was occupied by the enemy with infantry, guns and armoured fighting vehicles at 8 p.m.

A small motorised force of the Somaliand Camel corps harassed the enemy, themselves suffering no loss.

**Palestine Warfare**

As regards Palestine, enemy aircraft again raided Haifa on the morning of August 6. A number of bombs were dropped, nearly all of which fell harmlessly in the sea or on waste ground in the town.

Military casualties were nil. Civilian casualties were under ten. Anti-aircraft defences came quickly into action and opened a heavy fire on the raiders.

On the Western Desert, some enemy movements are reported. Otherwise all is quiet.

**Offered As A Gift**

LONDON, Aug. 7 (Reuter).—Regarding the Cairo communiqué, it is stated in authoritative circles in London to-night that Zeila, which was offered to Italy as a gift in 1935 and was refused, was undetended.

The Italians have now to get along the coast road to Berbera, a distance of 150 miles.

British resistance, it is stated, will begin in the hill country beyond Hargeisa and Odweina.

## PASSENGER SHIP TORPEDOED

FROM PAGE ONE

Will Always be an England" when on the way to the rescuing ships.

**Fourth Time Torpedoed**

A steward who had been torpedoed four times, including the Lusitania and the Yorkshire, said the torpedo hit them amidships and shook the ship from stem to stern. There was not a trace of panic. The passengers and crew behaved marvellously. None of them saw the submarine but they understood that at least one was sunk a few hours later.

**19 Missing**

LONDON, Aug. 7 (Reuter).—It is learned that only 10 persons, namely 11 passengers and eight crew, are missing from the liner Acaia.

LONDON, Aug. 7 (Reuter).—Sir Kenneth Lee, Director-General of the Ministry of Information, has resigned and is succeeded by Sir Frank Pick, formerly a member of the London Passenger Transport Board.

## NEW K SHOES



Tan calf and white nubuck on a comfortable last in two width "plus" fittings.

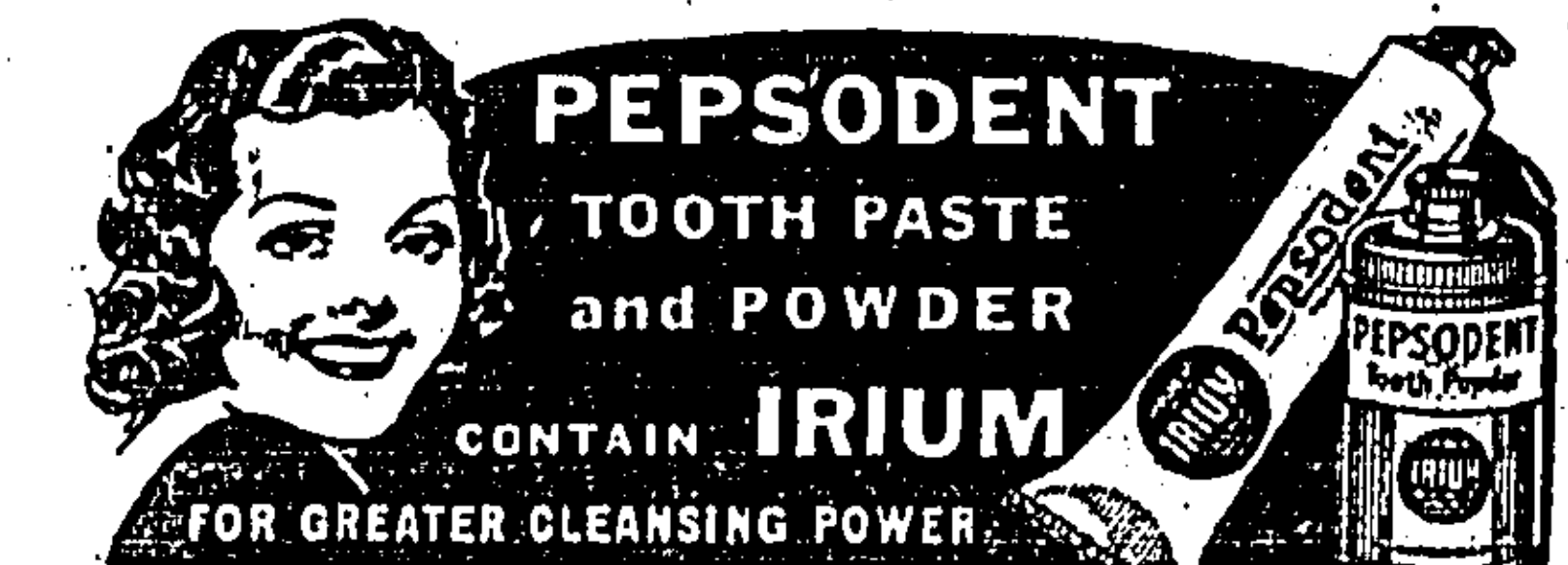
\$37.50, less 10% cash discount

TAN or BLACK K. SHOES

From \$29.50, in all sizes

MACKINTOSH'S LTD.  
K. AGENTS

DRINK  
**BEWO PILSNER**  
At Jimmy's Kitchen



**PEPSODENT**  
TOOTH PASTE and POWDER  
CONTAIN IRIUM  
FOR GREATER CLEANSING POWER

**Parisian Grill**  
**Air-Conditioned**  
Music during Lunch & Dinner  
Tel. 27880 for reservations. Open till 1 a.m.

Have You the FIGURE that Men Admire



OVER 1,000,000 BILE BEANS ARE SOLD EVERY DAY

All traders and dispensaries sell Bile Beans. For FREE SAMPLE write agents mentioned below, enclosing stamp for postage.

This is how Bile Beans act: Bile Beans are prepared from pure vegetable extracts, and, therefore, can be taken regularly every night with perfect safety. They tone up the system, purify the blood and remove fat-forming residue daily. Thus keeping you healthy, happy and slim.

**BILE BEANS**  
GIVE YOU THE FIGURE THAT MEN ADMIRE  
Agents: Messrs. Gilman & Co., Hong Kong



\_\_\_\_\_



# NANCY

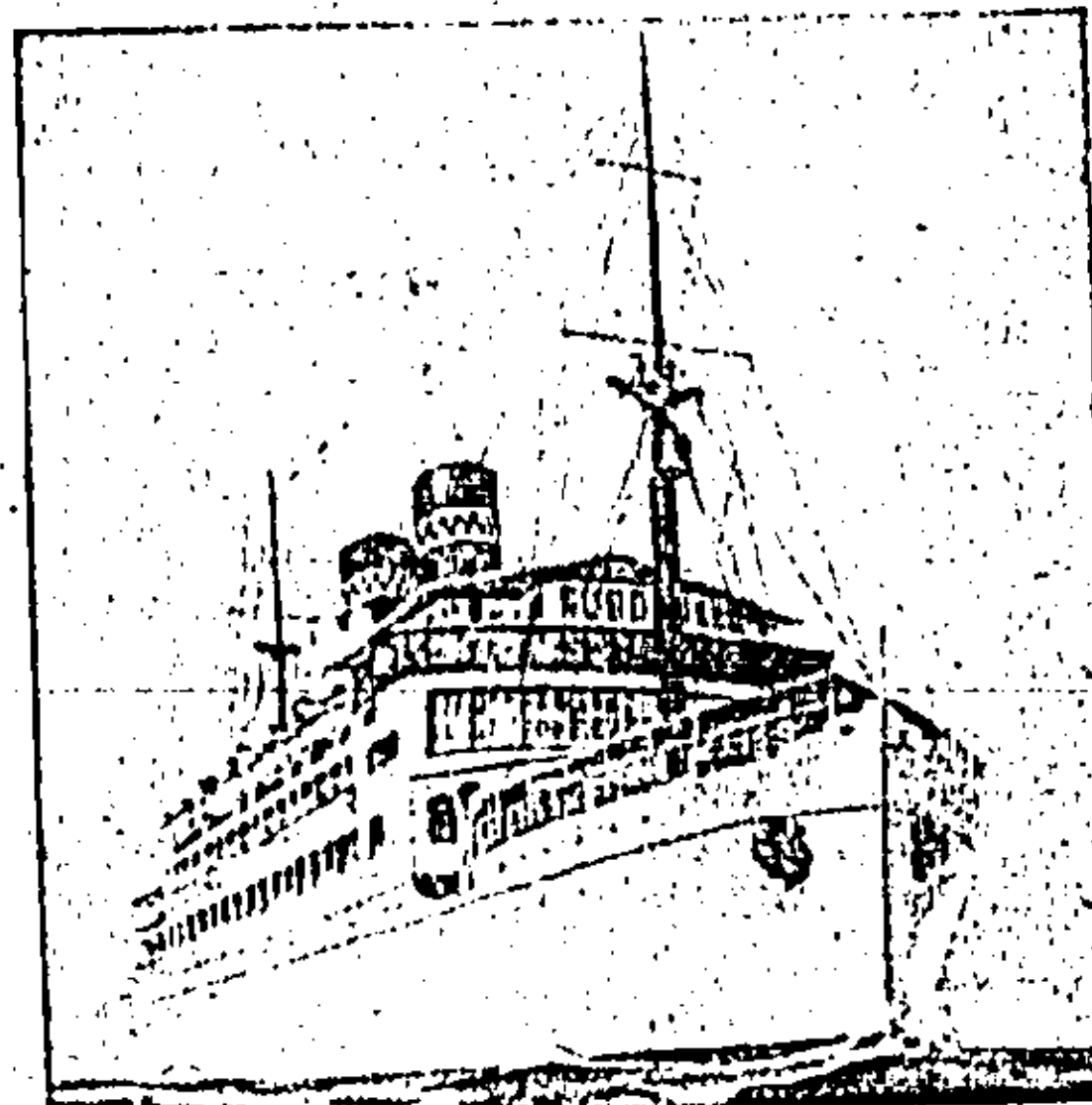


By Ernie Bushmiller

## BURNS PHILP LINE

Passenger & Freight Service To

## AUSTRALIA



We have a vessel sailing shortly for  
Saigon  
Madang  
Salamaua  
Rabaul  
Sydney and Melbourne

Excellent passenger accommodation with a large number of single cabins at no supplement.  
Built-in Swimming Bath and Spacious Sports Deck.

Passenger & Freight Agents:—

GIBB, LIVINGSTON & CO., LTD.

Tel. 28031

P. & O. Bldg.

**Go Empress**  
ONE MANAGEMENT DIRECT  
to North America  
and Europe!

### EMPEROR LUXURY

Speed across the Pacific by luxurious Empress liners, then... stop over if you wish... and Vancouver in Canada's Evergreen playground.

### NEXT SAILING FROM HONGKONG

FIRST WEEK IN SEPTEMBER  
(Omitting Honolulu)

Fast through AIR CONDITIONED trains from ship's side at Vancouver take you through the majestic Canadian Rockies—Lake Louise, Banff—800 miles of travel through marvelous mountain scenery, Niagara Falls and the Great Lakes can be included as optional routes on your coast-to-coast trip. Stop over anywhere you wish.

Then Montreal and Quebec, gay French-speaking cities on the famous St. Lawrence Seaway, and a quick crossing to Europe by one of Canadian Pacific's Atlantic fleet.

### NEXT SAILING TO MANILA

LAST WEEK IN AUGUST

For full information consult your travel agent,

Union Building,  
Hong Kong.  
Telephone  
20752.

or  
**Canadian Pacific**  
World's Greatest Travel System

## PRESIDENT LINER Sailings

To SAN FRANCISCO AND LOS ANGELES  
Via Shanghai, Kobe, Yokohama & Honolulu.

SS "President Pierce"	AUG. 20
SS "President Coolidge"	SEPT. 7
SS "President Taft"	SEPT. 13

To NEW YORK AND BOSTON  
Via Manila, Singapore, Penang, Colombo, Bombay & Capetown.

SS "President Harrison"	AUG. 18
SS "President Polk"	SEPT. 15

### To SINGAPORE & PENANG

SS "City of San Francisco"	AUG. 14
SS "City of Los Angeles"	AUG. 27

To SAN FRANCISCO & LOS ANGELES  
Direct

SS "City of San Francisco"	SEPT. 3
via Yokohama.	

★ ★ **AMERICAN** ★ ★  
**PRESIDENT LINES**  
"ROUND-WORLD SERVICE"  
AGENTS FOR TRANSCONTINENTAL & WESTERN  
AIR AND UNITED AIR LINES.  
12 Pedder Street Telephone 28171.

## TO BUY EGYPT'S COTTON

### British Government Appoints Commission

LONDON, Aug. 7 (Reuter).—The establishment of a commission with powers to purchase Egypt's cotton crop was announced by Mr. R. A. Butler, Under-Secretary for Foreign Affairs, in the House of Commons to-day.

Mr. Butler declared that anxiety had been growing for some time in Egypt regarding the disposal of the 1940 cotton crop, the picking of which was about to begin.

**Avoiding Economic Disaster**  
Owing to the great reduction of the demand due to war conditions and difficulties of export, danger was imminent that the bulk would be left unsold in the hands of the cultivators, which would be an economic disaster of the first magnitude.

On representations by the Egyptian Government to the British Government, the latter accordingly decided to respond by setting up a commission to purchase cotton. On this commission the Egyptian Government was being asked to nominate a representative.

This commission would be prepared before April 30, 1941, to purchase all lint and cotton seed from the 1940 Egyptian crop or as much as was offered to them and all mercantile cotton seed as distinct from sowing seed.

**Britain To Bear Cost**  
The British Government would bear the whole or any net loss which might arise from the transaction as a whole, but they would share equally with the Egyptian Government any net profits which might accrue, on the understanding that such profits as may be returned to the Egyptian Government under this arrangement would be used by that Government for the relief of cultivators in a manner to be agreed on between the two governments.

Asked if the Egyptian Government, as an ally, was co-operating to the fullest extent in this matter, Mr. Butler replied: "Of course. We take that for granted."

## Absorption Of Alsace

### Hitler Appoints An Administration

LONDON, Aug. 7 (Reuter).—Indications of Hitler's plans with regard to the absorption of Alsace-Lorraine and Luxembourg into the Reich are contained in two decrees issued by him to-day whereby the entire administration of Alsace-Lorraine and Luxembourg will, in future, be no longer independent on the Army authorities, but will be conducted by civil administrative chiefs acting immediately under Hitler.

Joseph Buerckel, Robert Wagner and Gustav Simon are appointed Gauleiters for Lorraine, Alsace and Luxembourg respectively.

Baldur von Schirach, the Hitler Youth leader, becomes Gauleiter of Vienna in place of Buerckel.

## FRENCH COLONY LAYS DOWN ARMS

SPECIAL TO THE "TELEGRAPH".  
CAIRO, Aug. 7 (UP).—It is officially reported that armistice terms are under discussion regarding the fate of French Somaliland.

No details are given. The report adds: "The effect of the collapse of French Somaliland resistance is that the French offensive from Somaliland into Ethiopia is now definitely abandoned."

Meanwhile, it is officially announced in Canberra, the Australian capital, that the Council of New Caledonia passed a resolution on June 24, reaffirming their intention of co-operating with Great Britain.

## Russian Fleet Out, Says B.B.C. Report

SPECIAL TO THE "TELEGRAPH".  
LONDON, Aug. 7 (UP).—The B.B.C. has broadcast a report emanating from Radio-Moscow, declaring that the Russian Fleet in the Pacific is engaged in large-scale manoeuvring.

Observers recall that Radio-Moscow has made several announcements of this nature recently and no significance is attached to this report.

## Hungary And Rumania Start Talks

### ADJUSTING RELATIONS IN THE BALKANS

LONDON, Aug. 7 (Reuter).—According to a Budapest despatch to the official German news agency, M. Bossy, the Rumanian Ambassador in Rome, has been sent to Hungary as special envoy to begin preliminary talks with the Hungarian Government.

**Envoy Arrives**  
BUDAPEST, Aug. 7 (Reuter).—M. Bossy has arrived and is expected to have immediate talks with the Hungarian Prime Minister and Foreign Minister.

Despite the high hopes entertained by Hungary after Hitler's talk with the Rumanians at Berchtesgaden, many people here have little faith in the result of the negotiations which are expected to move slowly to an inconclusive end.

It is noteworthy that the Germans here are busy trying to damp down revisionist enthusiasm, and are suggesting, for example, that a part or even the whole of Slovakia will be offered to Hungary as compensation for the smallness of the concession to be obtained over Transylvania.

The possibility of open Hungarian-Rumanian hostility is not at present seriously discussed in Budapest although mobilisation is now almost complete.

## Wins Bar To His D.F.M.

LONDON, Aug. 7 (Reuter).—Among R.A.F. awards announced to-day is a bar to the Distinguished Flying Medal to Flight Sergeant William Henry Franklin, formerly laboratory assistant in Eastern London.

Flight Sergeant Franklin has shot down ten enemy aircraft and has assisted in destroying a further two. On one occasion he encountered between Trondheim and Narvik when the British Army was evacuated.

They are mostly troops, with a few airmen and seamen.

A further 111 are to be repatriated.

## REPATRIATION OF BRITONS

LONDON, Aug. 7 (Reuter).—A Swedish steamer has arrived at a Scottish port from Petsamo, Finland, with 125 Britons, who had been interned in Sweden after being cut off between Trondheim and Narvik when the British Army was evacuated.

They are mostly troops, with a few airmen and seamen.

A further 111 are to be repatriated.

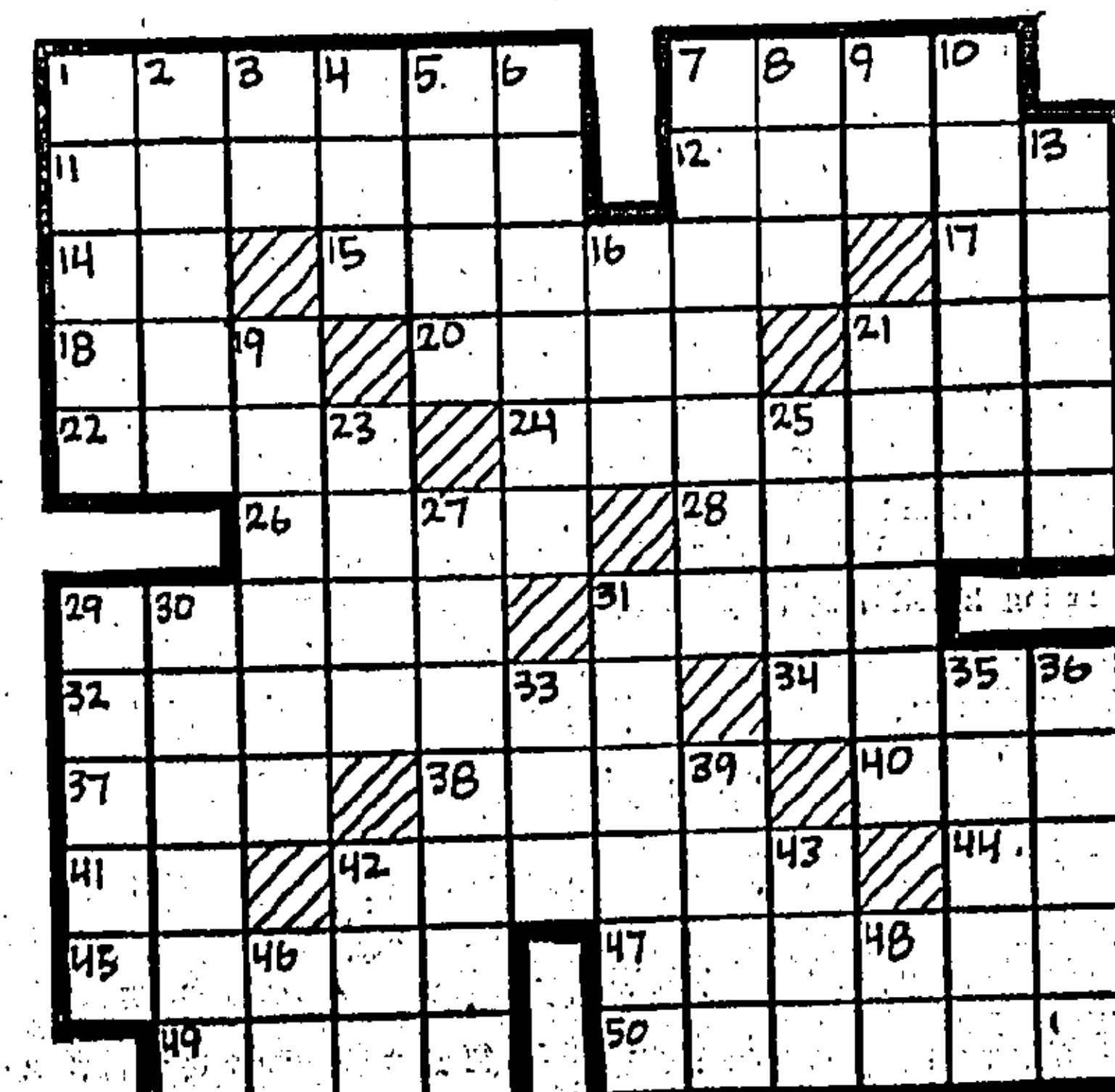
## Crossword Puzzle

By LARS MORRIS

ACROSS  
1—Permitted to live  
7—Couple  
11—Procession  
12—Competitor  
14—Frenzied; not  
15—Exhausted by hanging  
17—Seventeenth letter of Hebrew alphabet  
18—Lucky color  
20—Oriental weight  
21—Largest of birds  
22—Russian ruler of 1914  
24—Not as large  
26—Hutlock  
28—Mixture on eyes due to emotion  
29—Bolted dried potatoes  
31—Warmth  
32—Freedom  
33—Freedom of  
34—Seaweed  
35—Red vegetable  
37—Large hot water  
41—Exclamation denoting surprise  
42—Repeats  
43—Indefinite article  
44—Wading bird  
47—Conciliate

DOWN  
2—Paris for window  
3—Eighteenth letter of alphabet  
4—Piece of cloth  
5—Prepare for publication  
6—Lower  
7—Geyserman  
8—Small island  
9—Have  
10—Blender sword  
11—Looks at emotionally  
12—Polish general of Turkish army; died 1859  
13—European river  
14—Dialect  
15—Prolonged cry  
16—Escape  
17—Prime mover  
18—Diagrams  
19—Here  
20—Laughing animals  
21—Basis of decimal system  
22—Inclined  
23—Trousers  
24—Cloth shelter  
25—Spot  
26—King (French)  
27—Radium  
28—Within

ANSWER TO PREVIOUS PUZZLE  
40—Net estimate upon  
50—Allowance  
1—Budden increase



## AMERICAN PIONEER LINE

(UNITED STATES LINES COMPANY)

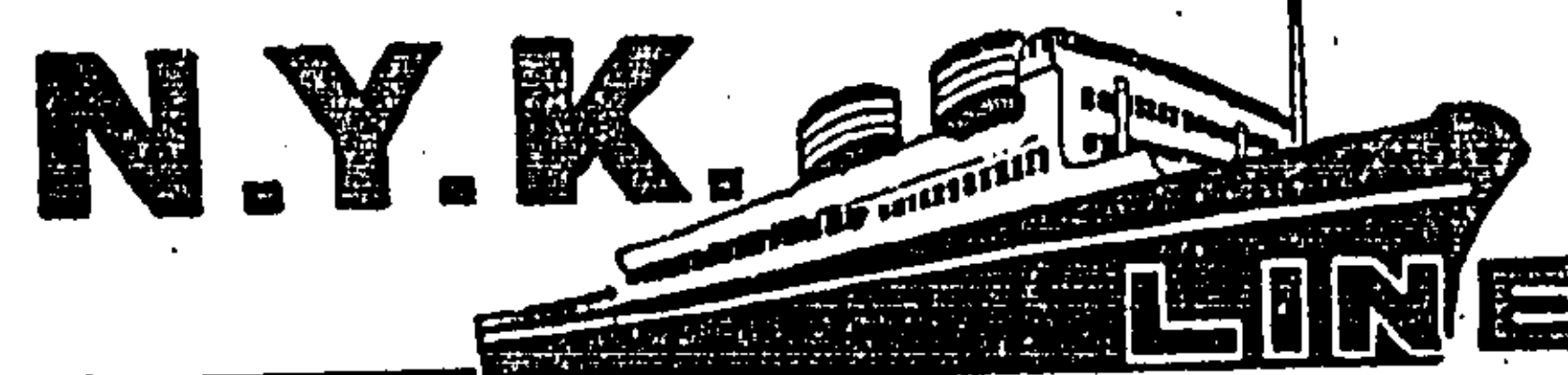
REGULAR-SAILINGS FOR  
NEW YORK, BOSTON, BALTIMORE,  
PHILADELPHIA VIA PANAMA

CARGO ALSO ACCEPTED ON THROUGH BILLS/LADING FOR  
CARIBBEAN SEA PORTS and PERUVIAN PORTS via CRISTOBAL

NEXT SAILING  
M/V TAMPA  
LOADING ABOUT AUGUST 23rd.

For full information apply to

**American President Lines, Ltd.**  
Tel. 28171 Agents



SAN FRANCISCO & LOS ANGELES via Honolulu.

Asama Maru	Thursday,	8th Aug.
Kamakura Maru	Friday,	30th Aug.

SEATTLE & VANCOUVER (Starts from Kobe)

(Convenient connection from Hongkong)  
Helen Maru Wednesday, 14th Aug.

NEW YORK via Panama.

Azuma Maru	Wednesday,	21st Aug.
------------	------------	-----------

LIVERPOOL via Cape Town.

Husimi Maru	Sunday,	11th Aug.
-------------	---------	-----------

SYDNEY & MELBOURNE via Manila.

Kamo Maru	Wednesday,	28th Aug.
-----------	------------	-----------

BOMBAY via Singapore & Colombo.

Okita Maru	Sunday,	11th Aug.
------------	---------	-----------

RANGOON & CALCUTTA via Singapore.

Nagato Maru	Thursday,	8th Aug.
Hakusan Maru	Wednesday,	14th Aug.

\* Cargo only.

## NIPPON YUSEN KAISYA

KING'S BUILDING TELEPHONE 30291.

General Passenger Agents in the Orient for Cunard White Star Line







## DEPENDABLE USED CARS

Model	Description	Price
1933	Austin "12" Saloon	\$ 800
1934	Vauxhall "14" Saloon	\$1,200
1935	Chevrolet Master Sedan	\$1,600
1936	Ford Cabriolet	\$1,600
1937	Studebaker Coupe	\$2,200

**FAR EAST MOTORS**  
Phone 59101 26 Nathan Road,  
KOWLOON.

PRINTED & PUBLISHED BY  
**Franklin**  
Manager  
The Hongkong Telegraph  
27, New York Street, Hongkong.  
Telephone 1837.  
Low Water: 18.37.

# The Hongkong Telegraph

FOUNDED 1861 四拜禮 號八月八英港香 THURSDAY, AUGUST 8, 1940. 日五初月七 單張 10 仙 330.00 PER ANNUM

**FINAL EDITION**

**Whiteaway's  
GREAT SUMMER  
Sale**  
NOW PROCEEDING  
Fine values in every  
department.  
CALL EARLY

## Alleged Japanese Demands on French Indo-China SITUATION QUIET BUT "BALLOON MAY GO UP"

THE SITUATION IN FRENCH INDO CHINA REMAINED QUIET THIS MORNING, ACCORDING TO AUTHORITATIVE SOURCES.

Chinese sources declare that negotiations are in progress between the Japanese authorities and Rear Admiral Decoux regarding the Japanese demands which are stated to be as follows:

- 1.—Establishment of Japanese naval bases at Kwangchowwan, Haiphong and Camn-Rahn Bay;
- 2.—Establishment of Japanese military bases at Haiphong and in the interior;
- 3.—French section of the Haiphong-Kuming Railway to be made available to Japan for transportation of men and materials;
- 4.—Establishment of Japanese aerial bases on French territory;
- 5.—Closer economic collaboration between Indo China and Japan.

### WARSHIPS CONCENTRATE

There is no confirmation from other sources of these so-called demands.

Although the situation in Indo China is at the moment quiet, authoritative sources expect "the balloon to go up at any moment."

It is reported that, in addition to a concentration of some twenty or thirty warships in the vicinity of Tongking Bay, Japan has approximately 30,000 troops along the Indo China-Kwangsi frontier.

The French authorities have dynamited all railway and highway bridges along the Kwangsi and Yunnan frontiers.

The "Telegraph" learns that, in addition to 18 Japanese transports sighted earlier this week heading southwards, presumably towards Indo China, eleven transports were later sighted by a ship'en route from Shanghai to Hongkong, heading in the same direction.

American naval sources in Manila confirm increased movements of Japanese warships southwards from Formosa.

### Pope Appeals For Truth

SPECIAL TO THE "TELEGRAPH"  
VATICAN CITY, Aug. 7, (UP).—His Holiness Pope Pius appealed to newspapers to-day to tell the truth, asserting that incorrect information was comparable to the destruction caused by armoured cars and bombers.

"The tongue has killed more people than the sword," he added.

### Totalitarians' Post-War Plan —If they win

Japanese Hegemony Complete In Asia

SPECIAL TO THE "TELEGRAPH"  
WASHINGTON, Aug. 7, (UP).—Senator William King, in a statement to "United Press" to-day charged that Japan, Italy, Russia and Germany had reached an agreement for the division of the spoils of war in the event of a defeat for democracy in Europe.

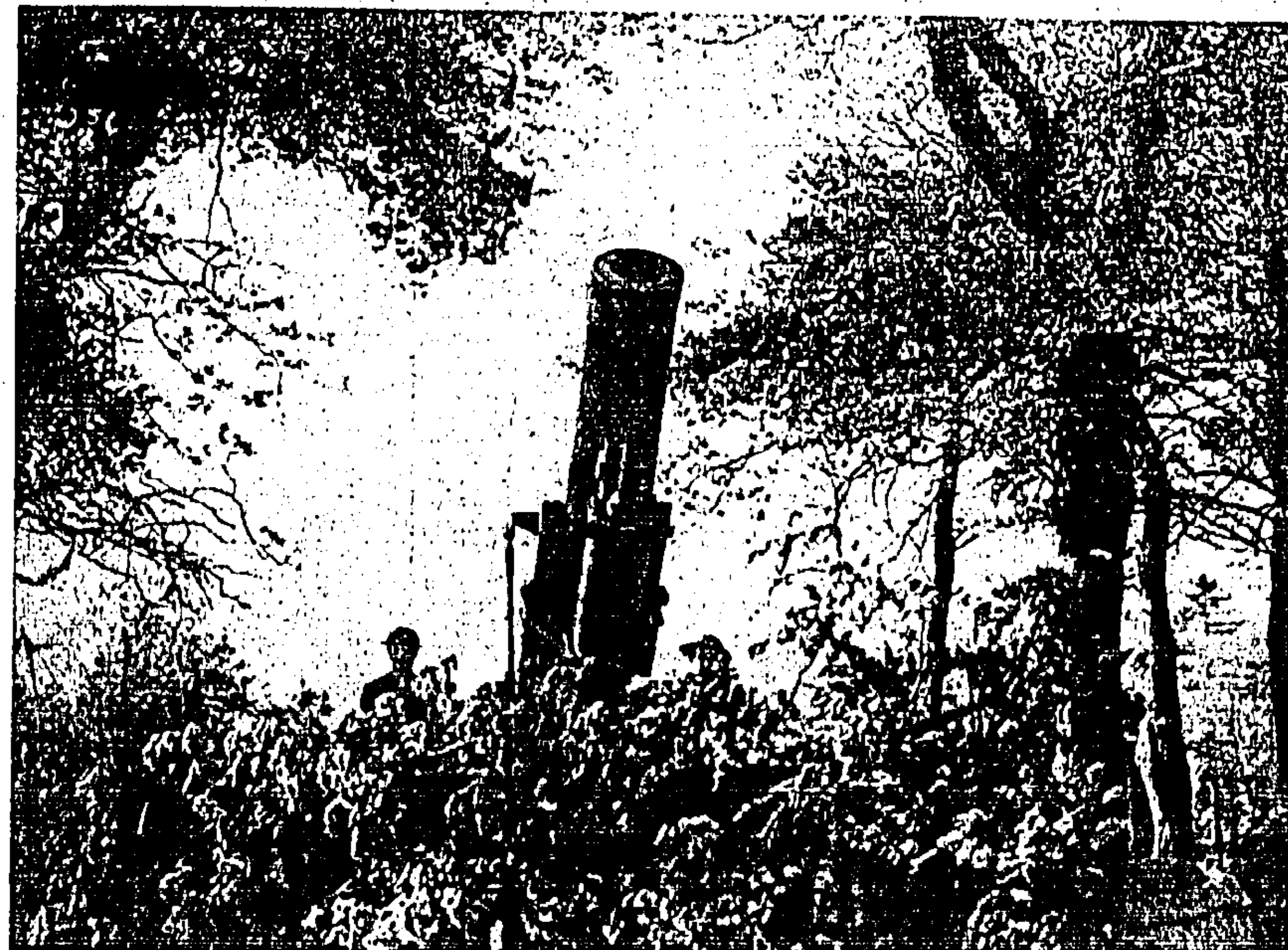
In such an event, he believes, China will also be defeated in the Far East.

Japan, he alleges, has been assured of a complete hegemony over all Asia by the other Totalitarians—if the plans mature. Japan will control the entire continent of Asia except India, Afghanistan and Siberia, Senator King said.

### Motor Car Stolen

Major Hardy, R.A.M.C., had his motor car, a Morris saloon, stolen from its parking place outside the Hongkong Cricket Club yesterday.

## BRITAIN'S BIG GUNS READY FOR NAZIS



An imposing study of heavy artillery "somewhere in England" indicating the ever watchful eyes of our gunners. These men are always at their posts ready for any eventuality. Should necessarily arise these monster guns will inflict devastating damage on the enemy.

### Britain To Purchase U.S. Tanks

WASHINGTON, Aug. 7, (Reuter).—The British Purchasing Mission has informed Mr. Henry Morgenthau, Secretary of the Treasury, of the British Government's intention to place large orders in the United States for tanks, field artillery and many other supplies not previously purchased in America.

This was revealed by Mr. Arthur Purvis, head of the British Mission, in an interview. He said that these orders, "involving hundreds of millions of dollars," would be material to be delivered at a considerable time in the future. He indicated that previous purchases had been made to a large extent on the basis of immediate needs, but the new programme would be for anticipated future needs.

## CONFIDENT CAN STOP ITALIANS

British Forces Are Well Prepared

SPECIAL TO THE "TELEGRAPH"  
CAIRO, Aug. 7 (Dome).—British military circles express confidence that the British forces garrisoning British Somaliland are well prepared to repulse the three-pronged Italian push.

The Italians admittedly have considerable large forces but they depend upon the inexperienced Italian Somaliland and Ethiopia for supplies of materials and reinforcements.

The Italians advancing through the mountainous terrain of desert area are vulnerable to air attacks. Because roads are bad, the only means of transport will be camels. These inconveniences, coupled with mid-summer heat which at times reaches 120 degrees make the Italian invasion a difficult task.

### Italian Objective

The Italian objective is believed to be Berbera or Zeila on the Gulf of Aden. Their immediate objective will be to obtain control of five trunk roads in British Somaliland.

The northern column will probably attempt to control the border with French Somaliland and the Djibouti-Addis Ababa Railway, while the central column will probably thrust along the Hargeisa-Berbera road. The southern column will mainly apply itself to the defence of the Italian Somaliland border.

The total strength of the Italian forces on the Somaliland front is estimated at 155,000.

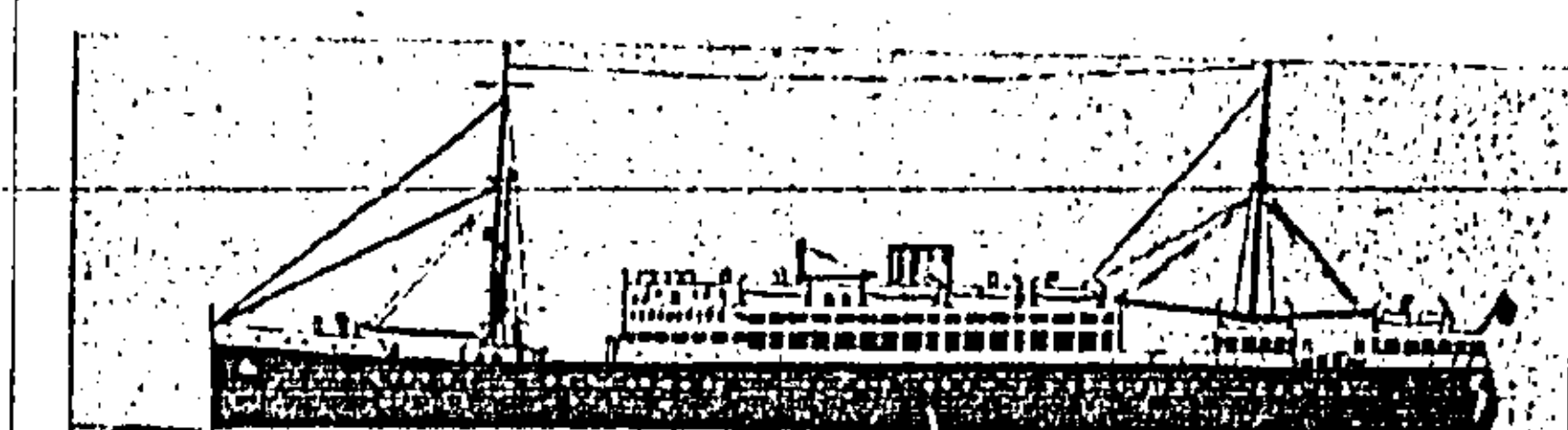
British military authorities believe the Italians may start large-scale operations in northern Africa. In concert with the push of the Ethiopian forces, the Italians in Libya will

Turn to Page 5, Fourth Column

## PASSENGER SHIP TORPEDOED: NO U-BOAT WARNING

SPECIAL TO THE "TELEGRAPH"

LONDON, Aug. 7 (UP).—The 9,337-ton Elder Dempster motor-ship Accra was torpedoed off the Irish Coast on July 25 whilst leading a convoy, it has just been revealed in London.



The torpedoed liner Accra

Eight passengers and nine members of the crew are missing.

The Accra, which was launched in 1926, has normal accommodation for 400 passengers and 160 crew. It is authoritatively learned she did not carry any children.

Survivors state that there was no panic, although one lifeboat capsized and a raft turned over. The submarine fired without warning and she was not sighted at any time during the sinking.

Sank in 30 Minutes  
The Accra sank in about 30 minutes, going down by the stern with her engine flying.

Most of the lives were lost when the motor lifeboat capsized. A member of the crew said: "I saw the Captain picked up."

Herbert Enright, a steward, said: "I had just finished serving coffee after luncheon when the torpedo hit us."

"I was on the Lusitania in the last war when she was torpedoed, and this is the third time I have been torpedoed in this war."

"The passengers and crew behaved wonderfully, but nobody had any time to collect their belongings."

"I understand the submarine was sunk a few hours later."

The Accra is well known on the African coast and has been engaged in the Liverpool-West Africa service.

**Skipper Interviewed**  
Captain John Joseph Smith told an interviewer that the officers and

Turn to Page 5, Fifth Column

## U.S. KEEPS EYE ON GREENLAND

LONDON, Aug. 8 (Reuter).—The U.S. Coast Guard has intensified its patrol along the coast of Greenland in case of attempts by Germany to establish air bases there, states the New York correspondent of the London "Daily Mail."

The eastward cutter Campbell, newly equipped with heavy guns and anti-aircraft guns, is already off the Greenland coast, supplied with enough food and fuel for a year.

Two more cutters are on their way to Greenland. Many German "exploratory missions" have been in Greenland, according to the Danish Governor, Dr. Brun, who is now in the United States conferring with American officials.

## VATICAN PACT WITH PORTUGAL

LONDON, Aug. 7 (Reuter).—According to Rome-Radio, an agreement has been signed between the Vatican and Portugal whereby Churches in Portugal will in future be legal without the additional civil ceremony hitherto required by the state.

OTTAWA, Aug. 7 (Reuter).—The Canadian Parliament which has been in session since May 18 has been adjourned till November 5.

## I. L. O. LEAVES GENEVA FOR NEW WORLD

SPECIAL TO THE "TELEGRAPH"

GENEVA, Aug. 8 (Dome).—The International Labour Office has been transferred from Geneva to Canada.

About twenty officials of the I. L. O. left here to-day en route to the new headquarters.

They will travel to Canada via the United States.

## GERMAN AIR RAIDS INTENSIFY

R.A.F. Keeps Up Good Work Against Enemy

SPECIAL TO THE "TELEGRAPH"  
LONDON, Aug. 7 (UP).—There has been a sudden intensification of daylight raids on England.

As a result several farm buildings in south-west England have lost their roofs or have otherwise been seriously damaged.

A number of high explosive bombs fell near a small town to-day and some of the residents had narrow escapes.

The Air Ministry announces to-night that R.A.F. bombers raided the Paris airport at Le Bourget last Tuesday afternoon.

Several large twin-engined German aircraft were on the ground and others of medium size were standing near the hangars.

The British raiders took the enemy completely by surprise and dropped bombs near the aircraft and hangars.

The British planes had fulfilled their mission and were en route back to their bases before the German anti-aircraft guns could be brought into action.

British bombers attacked the oil plant at Homburg, the supply depot at Schwetzingen, a factory at Mors and airdromes in Holland and North Germany on Tuesday night. One British plane failed to return.

## HONGKONG INVITED TO EMPIRE PARLEY

THE Viceroy of India has invited the Government of Hongkong to send a representative to an economic conference of the British Empire east of the Suez, which will open at New Delhi on October 10.

The "Telegraph" understands that no decision has yet been reached regarding the Hongkong representative.

The object of the conference, it is reported, is the reinforcement of material supplies to Great Britain from the Empire east of Suez.

### Africa To Follow Suit

A report from Nairobi states that a similar conference of British colonies in Africa will be held at Kenya at the same time.

Attending the conference at New Delhi will be representatives from Australia, New Zealand, the Union of South Africa, India, Malaya and other parts of the Empire east of Suez, in addition to Hongkong.

In addition to considering ways and means of reinforcing Empire aid to the Mother country, the New Delhi conference will discuss intra-Empire economic unity.

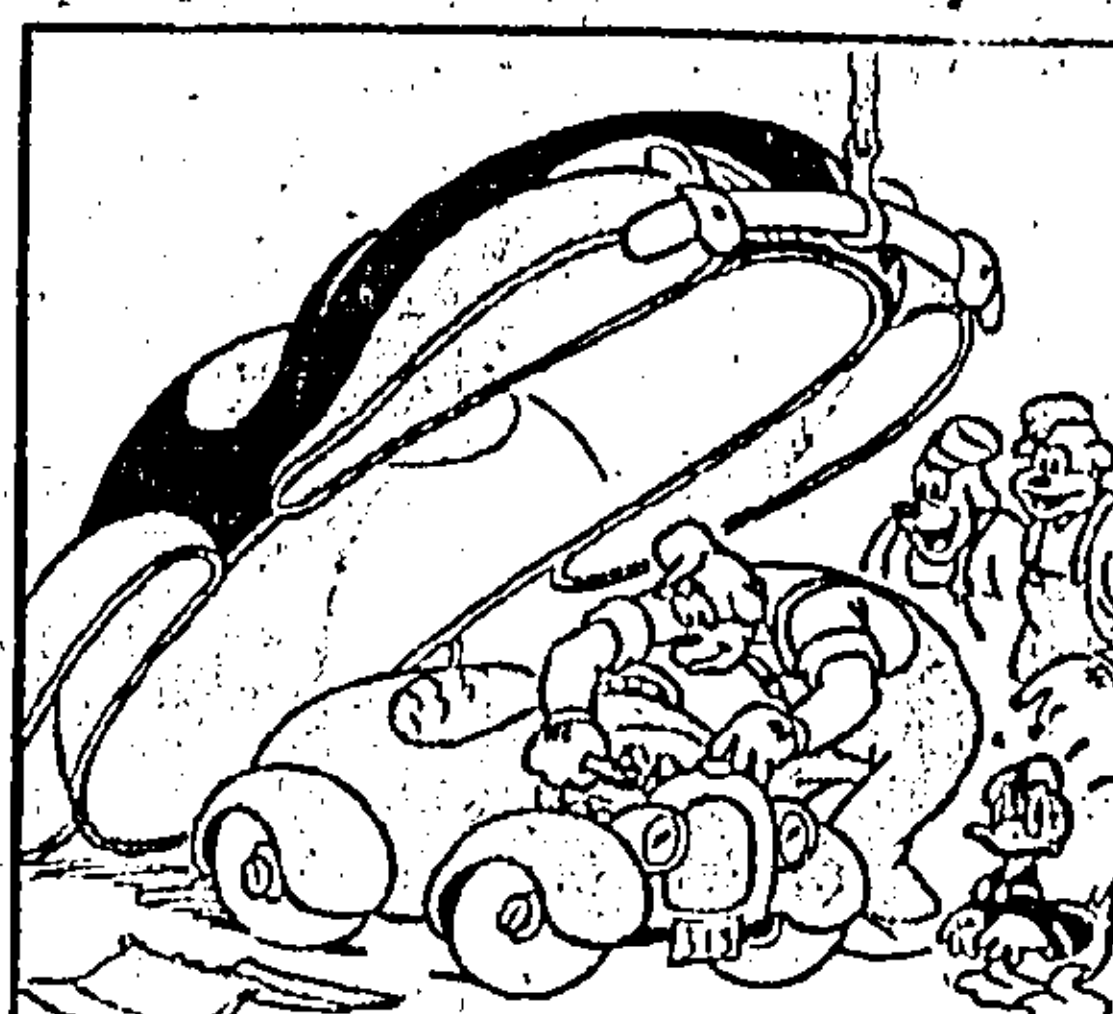
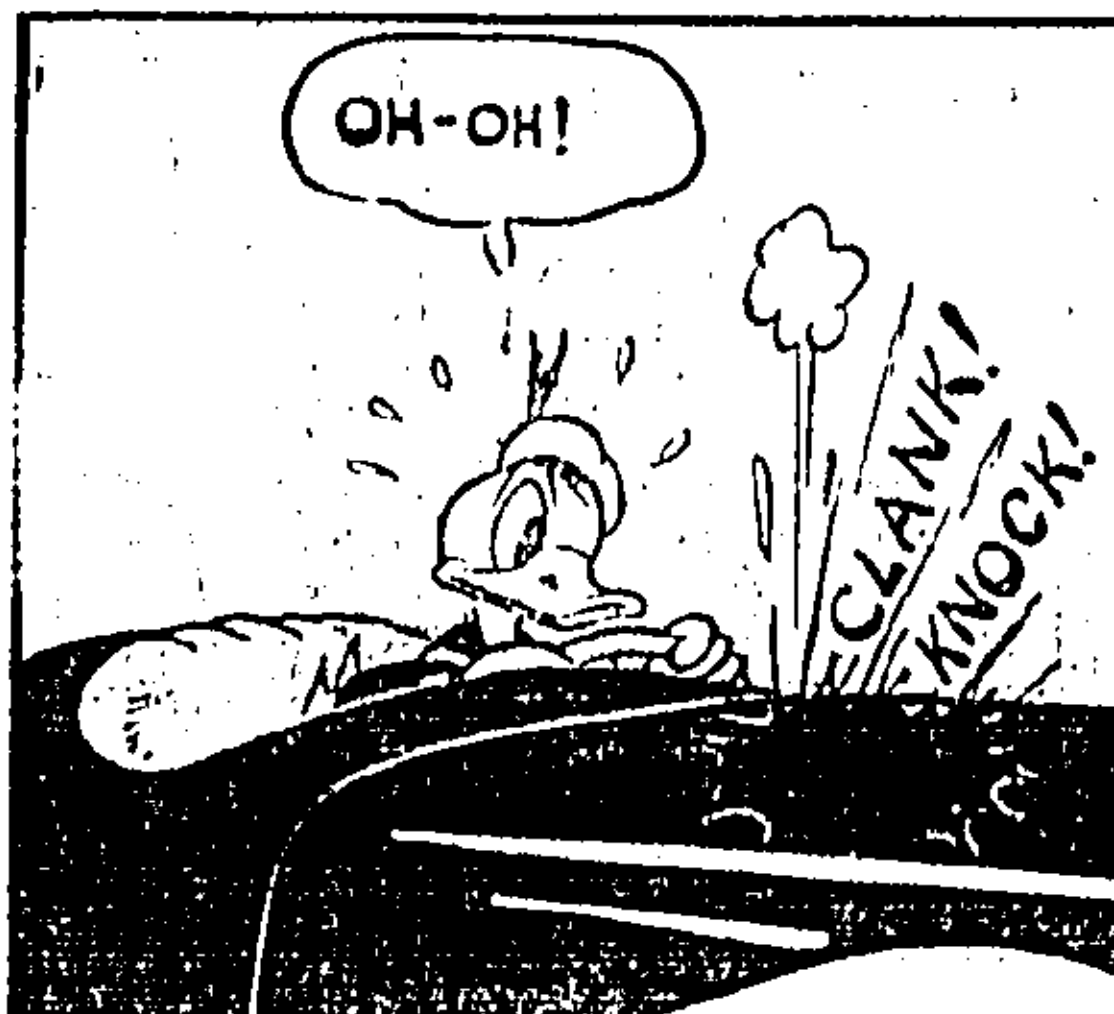
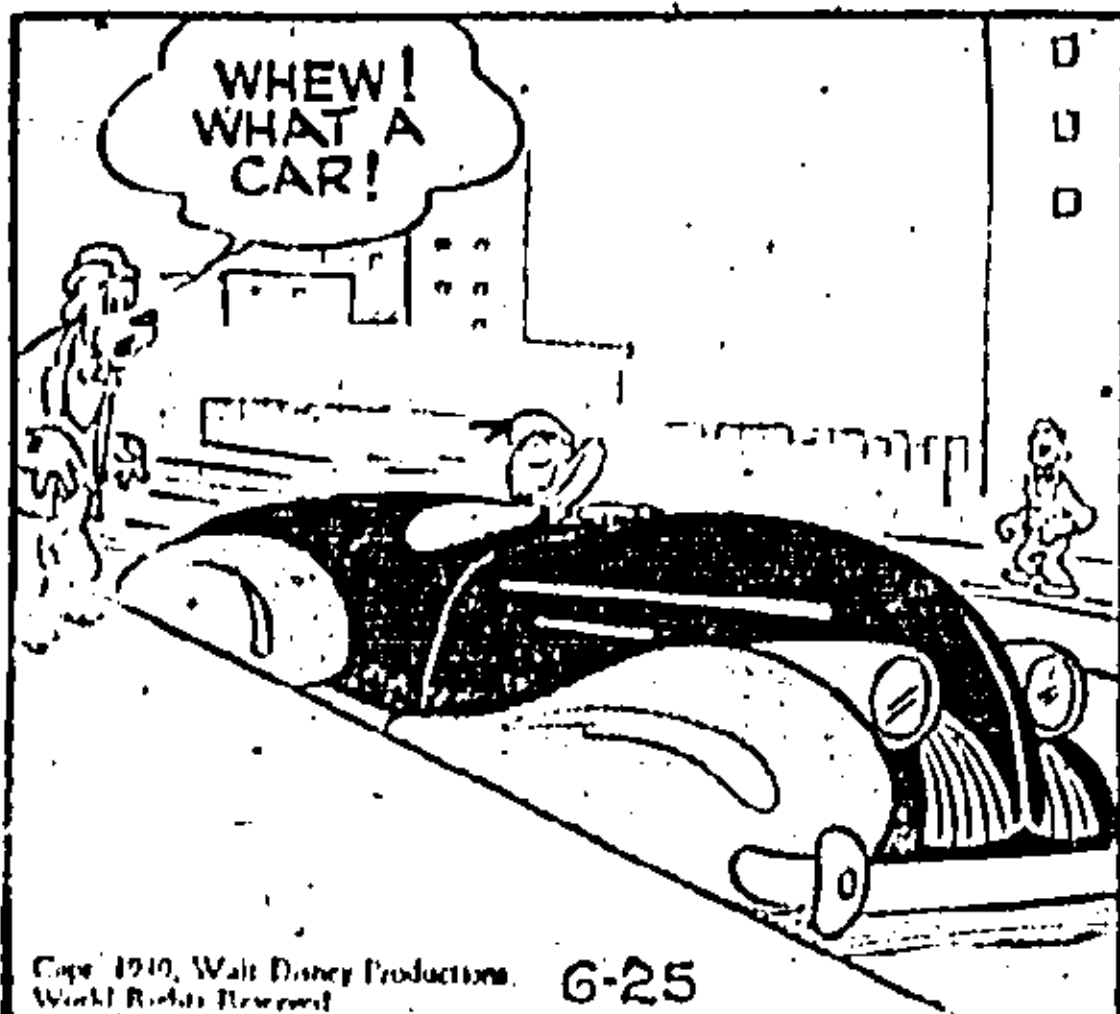






# DONALD DUCK

By Walt Disney



**OSBORN'S**  
CELEBRATED  
**PATUM PEPERUM**  
THE GENTLEMEN'S RELISH  
\$1.50 per jar.  
\$4.35 per 3 jars.  
HIGHLY RECOMMENDED FOR TOAST,  
CRISP BREAD, BISCUITS, ETC.  
**LANE, CRAWFORD, LTD.**  
TEL. 28151

## MAGAZINE PAGE



### MEDITERRANEAN WAR MAP

**THIS** map shows the area of Europe and Africa affected by the entry of Italy into the war on Germany's side. Italy has, as the map shows, many possible directions for her initial attacks, but whatever she undertakes will obviously fall into the pattern of German strategy. Recent Italian claims have demanded Gibraltar, Malta, Suez and Palestine from the British. These may forestall attacks by air and sea. Suez and Palestine are within range of the strong Italian bases in the Dodecanese Islands. Malta has the fortified Italian base of Pantellaria Island—its close neighbour, Gibraltar would only be in

ports would at the same time offer bases from which to interfere with sea communications—especially with Turkey. Italian action from her African possessions of Libya, Eritrea and Abyssinia would from the start be handicapped by the impossibility of maintaining supplies by sea; for in any Mediterranean operations the Italians must reckon with British naval superiority. One thing is clear; Italy, in entering this war with Germany will be the one certain loser. A German victory will leave Italy as much in a state of vassalage to Hitler as it would Britain and France, and from an Allied victory Italy could expect scant mercy.

### Footnotes to History

Armoured warships have so completely revolutionized naval warfare that the general American reader, knowing the importance of the invention, but lacking knowledge of its true birth, is filled with pride in the feeling that for the first time in history ironclads were used in the struggle to preserve the Union. The bloodless battle between the Monitor and the Merrimac, off Hampton Roads on March 9, 1862, is pointed out as the inauguration of the use of ironclad vessels. This is not the precise truth. For, in 1855, during the Crimean War, Capt. Cowper Coles of the Royal Navy had ingeniously out-fitted a raft with iron-plated protection, and boasting a revolving 32-pounder that rotated without the use of spikes or tackle. The experiment had been born as a result of the hot fire of the Russian guns defending Sebastopol, but never went beyond the embryo stage. In the summer of 1861, the Confederate engineers raised a sunken Federal frigate, the Merrimac, the after cutting it down to the hull, dressed it in iron plates. This apparent freak created havoc among the Union flotilla, threatening to annihilate the entire fleet. But the following spring, Capt. John Ericsson, a Union engineer, constructed the ironclad Monitor as a counter-weapon. The subsequent battle was indecisive except for the fact that it halted the destruction of the Northern armada by the South. Its greater significance lies in the fact that it ushered in a new era of naval fighting, that of the steel battleship, and sounded the knell of wooden warcraft.

### Daily Quotation

**THE ELECT** are those who put life into one, who give courage to the faint-hearted; hope out of their own heart's constancy.—LADY RITCHIE.

### HERE IS A FOOTBALL POSER



**FOUR** teams—the Lions, the Tigers, the Panthers and the Bears—formed a miniature football league. Each team played one match against each of the other three, two points being awarded for a win and one point for a draw. Eleven goals in all were scored, five of them by the Lions. In their match against the Bears, the Lions won by two goals to one. The Tigers amassed five points in all; the Lions, three points; the Bears, one point. What was the score in the game between the Bears and the Tigers?

### SOLUTION

The Tigers beat the Bears 1-0. This is a problem in deduction. 1.—It will be found that the Tigers must have won against the Lions; otherwise more than 11 goals are required. 2.—Also all the Panthers matches must have been pointless draws. 3.—One goal is left unaccounted for; and, since the Tigers won their third game, the result must have been as above.

### BRITAIN'S LEADERS: No. 2

### MINISTER FOR AIRCRAFT PRODUCTION:

### LORD BEAVERBROOK

**THE** new Government has only one Member who, in public life, has inflamed more controversies and fanned more feuds than its Prime Minister. He is the man whom Mr. Churchill chose as Britain's first Minister for Aircraft Production. It wanted a war to make Churchill Prime Minister; it needed a Churchill to coax Lord Beaverbrook off the front page of the *Daily Express* and to harness the resources of that human power station to the machinery of government again.



Most unexpected, most impressive of Mr. Churchill's Cabinet changes was the appointment of Lord Beaverbrook as Minister for Aircraft Production.

In accepting office, Lord Beaverbrook becomes the only member of the new Government who shares with Mr. Churchill the distinction of having held important ministerial rank in the Coalition which led to victory in the last war. Towards the end of 1917, Lloyd George invited Beaverbrook to become the first Minister of Information. But those who hoped that Beaverbrook would become Minister of Information again were disappointed. At the outbreak of war he let it be known that, if the post were offered to him, he would refuse it. It was thought to be Lord Beaverbrook's intention to refuse Government office altogether. Instead, Mr. Churchill has persuaded him to accept an appointment in which success is as vital to our war effort as Lloyd George's ap-

pointment to the Ministry of Munitions in the last war. Now, the astonishing genius which transformed the penniless son of a Presbyterian minister into a millionaire at twenty-eight, established an unknown Canadian as a dominating figure in politics in his early thirties, and boosted a derelict newspaper into a position of world importance in its proprietor's middle life, is devoting its powers to the immense and momentous task of giving the Allies numerical superiority in the air. Deliveries from the United States have fallen short of hopes. The Beaverbrook press—which, officially, Lord Beaverbrook no longer owns, and with the views of which, officially, Lord Beaverbrook does not necessarily agree—has been campaigning the Government to depend not on America, but on increasing the production of our own aircraft factories in this country. Now it is Beaverbrook's job to answer their demand. His first aim in life—when he was Mr. William Maxwell Aitken, the sixth son of an evangelical minister, with fiery faith and limited income, in New Brunswick, Canada—was to make money. At twenty, he was penniless,

without prospects and scarcely able to scrape together a living. At twenty-eight, he was a millionaire. At thirty-eight, he retired from money-making, resigning all directorships and, later, passing over the controlling interest of the *Daily Express* to his eldest son. How did he do it? He became secretary to a man with great commercial interests, won his employer's confidence by demonstrating a gift for salesmanship and a brilliant "trading" instinct. Soon, he was handling huge business deals. He established himself in Montreal as an independent financial source, put through some of the greatest industrial consolidations and reorganizations in the history of Canadian finance. During one of his visits to London in connection with financial schemes, Mr. Max Aitken renewed a friendship with a fellow-Canadian from New Brunswick, named Bonar Law. A general election was in progress. Bonar Law, who was fighting a desperate struggle in North-west Manchester, urged Aitken to come and help him in the fight. Aitken, to the astonishment of every financial house in Canada, declared he would do more. He would fight a constituency himself. He became the candidate for Ashton-under-Lyne. It was absurd. Aitken was a stranger to this country. His opponent was a local man. He had ten days in which to wrest the seat from the Liberals. He got in with a majority of 196. Max Aitken settled in London. In 1911 he was knighted. In 1914, he was in khaki as rear-district officer—a sort of super-publicity man—for the Canadian forces in France. In 1916, he was working hard to put out Asquith and put Lloyd George in. Largely as a result of his and Lord Northcliffe's efforts, the transformed War Cabinet, with Lloyd George as Prime Minister and Bonar Law as Chancellor of the Exchequer and Leader of the House, was formed. Sir Max—he had already been made a baronet—was rewarded with a peerage and became the first Baron Beaverbrook. It was in the last year of the war that Lord Beaverbrook took over the paper with which he is associated in the minds of most people. He bought the controlling interest of the *Daily Express* for £17,500. (In the previous year, the paper had lost £40,000.) Beaverbrook spent hundreds of thousands of pounds, and eight years of his life, in making the paper a success. He retired from management (theoretically) in 1929. In the *Express* office to-day, "the Beaver" as he is universally known in Fleet Street, is officially *Daily Express* Reader No. 1. He also remains its No. 1 contributor. In its columns he

### Whiteaway's GREAT SUMMER



### NOW PROCEEDING

IN TIMES LIKE THESE YOU NEED GOOD BARGAINS TO BRIGHTEN YOU UP—COME IN AND ENJOY YOURSELF AT WHITEAWAY'S SUMMER SALE.

- LADIES' DRESS MATERIALS ..... from \$1 yd.
- COTTON AND LINEN DRESSES ..... from \$3 ea.
- PURE LINEN SUITS ..... from \$7.50.
- ALL COSTUME JEWELLERY ..... loss 25%.
- CORSETS ..... from \$3. HATS ..... \$2, \$3 & \$5 ea.
- ALADDIN SILK STOCKINGS ..... \$2.50 pr.
- LADIES' TENNIS SHOES ..... from \$1 - \$2.95 pr.
- DRESS FLOWERS ..... loss 25%. GLOVES ..... \$1 pr.
- SHORTS & SLACKS ..... \$5 pr.
- CHILDREN'S DRESSES (Amer. made. All sizes) ..... \$5.
- LADIES' LOCKNIT KNICKERS ..... \$1.50.
- LACE TRIMMED LOCKNIT VESTS ..... \$2.25.
- CUSSON'S ASST'D TOILET SOAP ..... 5 for \$1.
- FACE FLANNELS ..... 3 for \$1 and 4 for \$1.
- NAIL BRUSHES .. 2 for \$1. TOOTHBRUSHES .. 40c. ea.
- TALCUM POWDER, large tin ..... 60c.

### Whiteaway, Laidlaw & Co., Ltd.

**Get Kotex today!**

Learn what real comfort means. For Kotex has soft folded centers—flat, tapered ends and moisture-resistant "safety panels." Regular... Junior... Super

"You scarcely know you're wearing it!"

### Passport Photos Executed Promptly

**MEE CHEUNG**  
PHOTOGRAPHERS  
15, 23, Ice House Street. Tel. 26379.





## WATSON'S Borated TALCUM POWDER

IN TWO DELIGHTFUL  
FRAGRANCES

LAVENDER  
OR  
ROSE

WITH MILD ANTISEPTIC QUALITIES  
—FULFILLING ALL THE REQUIRE-  
MENTS OF A TOILET POWDER  
FOR GENERAL AND NURSERY USE.

IN LARGE SPRINKLER-TOP  
CARTONS ..... 80 cts.  
REFILLS ..... 60 cts.

THE HONGKONG DISPENSARY  
A. S. WATSON & CO., LTD. TEL. 20016.

## JUST ARRIVED NEW "H. M. V." RECORDINGS

- |        |                               |                         |
|--------|-------------------------------|-------------------------|
| BD 823 | Pinochio-Selection.           | Reginald Foort (Organ). |
| BD 830 | Where or When.                | Pat Kirkwood.           |
|        | Oh, Johnny.                   |                         |
| BD 826 | I've got no Strings.          | Pat Kirkwood.           |
|        | Three Cheers for anything.    |                         |
| BD 828 | It's a lovely day to-morrow.  | Al Bowley.              |
|        | Careless.                     |                         |
| B 9030 | Rosetta.                      | Webster Booth.          |
|        | When you wish upon a Star.    |                         |
| B 9031 | A kiss in the Dark (Herbert). | Webster Booth.          |
|        | Indian Summer.                |                         |
| B 9032 | Someday (Victor Herbert).     | Allan Jones.            |
|        | Thine Alone (Victor Herbert). |                         |
| J.O. 5 | Mela Junta-Tango.             | Argentin Orchestra.     |
|        | La Tablada-Tango.             |                         |
| J.O. 2 | Chagrin D'amour-Tango.        | Mario Melfi Orchestra.  |
|        | Tango Chinois.                |                         |
| J.O. 4 | Elegante Papiruse-Tango.      | Argentin Orchestra.     |
|        | Malinconia-Tango.             |                         |

S. MOUTRIE & CO., LTD.  
York Bldg. Tel. 20527. Chater Road.

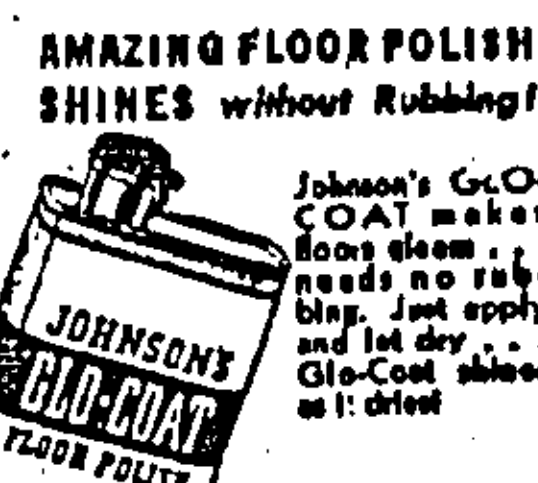
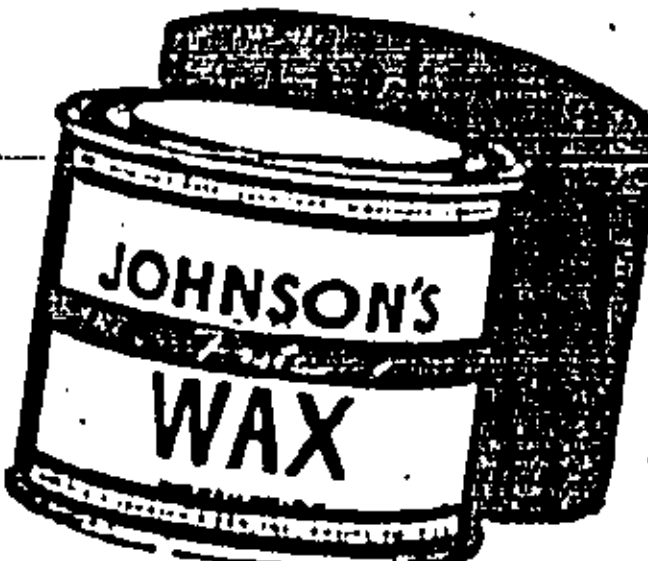


- 1 Beautify Your Home
- 2 Make Housework Easy
- 3 Protect Floors, Furni-  
ture and Woodwork

with

## JOHNSON'S WAX POLISH

The world's finest polish...  
yet economical to use! That  
is why fastidious housewives  
use only famous JOHNSON'S  
WAX. Gives exquisite  
beauty, protects against wear,  
makes cleaning easy. For  
floors, furniture, woodwork,  
leather goods, etc.

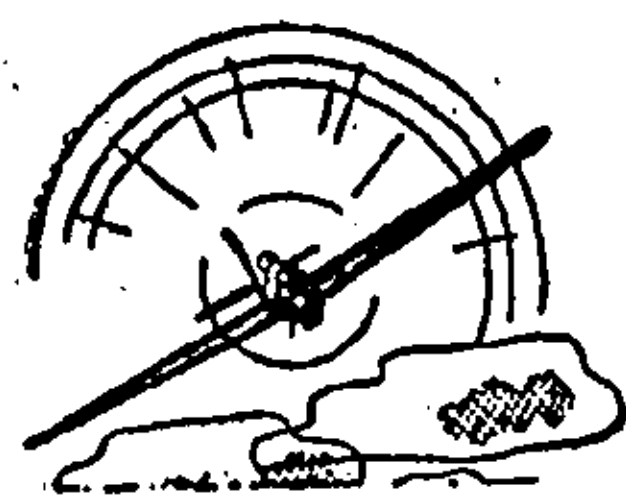


Clean, Beautiful, Protect  
BUY A CAN OF JOHNSON'S  
WAX TODAY... FINEST  
... YET ECONOMICAL!

For sale at leading de-  
partment, hardware,  
paint and grocery stores.

Made by S. C. JOHNSON & SON, INC.  
RACINE, WISCONSIN, U. S. A.

## "GRADUATE IN THE AIR"



The school provides the finest and  
most complete training in all flying  
subjects. Be taught by men who  
are not merely ordinary pilots or  
engineers but who are professional  
instructors, whose business is  
teaching.

BE TAUGHT AVIATION BY EXPERTS

AT

## Hong Kong Air University

For Prospectus apply

FAR EAST FLYING TRAINING SCHOOL LTD.

(Contractors to the British Air Ministry and the Hong Kong Government).

KAI TAK AIRPORT HONG KONG

## Most Famous "Fourteen" in the World! VAUXHALL 14-SIX

30 m.p.g. with normal  
driving.

Successive editions of the  
Vauxhall "14" have led in their  
class since the first was intro-  
duced in 1933.

This new model has all the  
basic features that have led to  
that success, but it is more  
luxurious. It has been still  
further improved in appearance,  
riding comfort, appointments and  
so on.

If you want real luxury motoring  
and "big car" performance,  
at the lowest possible first cost  
and running costs, the Vauxhall  
"14" deserves your very serious  
consideration.

Without obligation you will  
be given a demonstration.

## HONGKONG HOTEL GARAGE

Stubbs Road Tel. 27778-9

## The Hongkong Telegraph

Thursday, August 8, 1940.  
Wyndham St., Hongkong  
Telephone: 20015

THE press "Special to the Telegraph"  
is used by the "Hongkong Telegraph"  
to indicate news which is strictly copyright  
under the provisions of the Telecommuni-  
cations Ordinance, 1936. Such news as  
appears in the "Special" is received in  
Hongkong on the date of publication by  
the United Press Association, who re-  
serve all rights and forbid republication  
either wholly or in part without previous  
arrangement.

## SOMETHING TO THINK ABOUT

Japan has apparently decided on a  
change in policy and is contemplat-  
ing action which she feels will  
realise her aims. One naturally asks  
what are the prospects for her in  
this quest for hegemony in Asia.  
She starts off with a comparatively  
empty treasury and facing an em-  
bargo on essential materials—aviation  
spirit and scrap metal which  
hitherto she has been able to import  
from the United States. Fifty-six  
per cent. of her requirements come  
from that country.

This seems to indicate that Japan's  
trade must immediately suffer eclipse  
since her merchantships could hardly  
export to trade with Europe, India  
or Australia on anything like the  
same scale. Japan more than any  
other nation depends on trade for  
her internal economy. Unlike China  
she is not self-supporting, and she  
cannot divert the materials she re-  
quires from China, now so bitterly  
hostile.

Japan's greatest anxiety must be  
her precarious position in China,  
where she can neither complete her  
task of conquest, nor gracefully  
withdraw from the unhappy adventure.  
The more anxiety she displays  
in trying to conciliate China, the  
more she acknowledges her own  
weakness. Japan cannot hope to  
win over China to her side after the  
way she has mercilessly and ruth-  
lessly destroyed her cities, and  
rendered millions homeless.

It is the business of statesmen to  
envisage the future, and the wisest  
of them are those who take into their  
purview the numerous factors which  
are at work moulding that future.  
If an important element is omitted,  
then the policy which is followed  
leads not to good fortune but disaster.  
The factor which Japan cannot  
ignore in the estimate they make is  
the policy of the United States. So  
far they know that the United States  
will not view with indifference any  
alteration in the status quo of the  
Netherlands. Mr. Cordell Hull the  
Secretary of State, has made that  
statement and has not retracted it.

There is no reason to suppose that  
Germany or Italy would allow Japan  
to retain any conquests if they were  
successful in Europe, and certainly  
she could not hold them if they were  
not successful. What must give  
Japan further cause for fear is the  
fact that Germany's much vaunted  
attack on Great Britain has not  
materialised, and so much was the  
situation changed that such an at-  
tempt at landing would now be  
almost welcomed in the British as it  
would give the army of the Empire  
an opportunity which it really seeks.

Britain's sea power is unquestioned  
and is growing stronger, and at the  
end of the war will be of enormous  
strength; for quite clearly the Italian  
fleet cannot destroy it and the Ger-  
mans have not the means of doing  
so. That is the first reason for the  
delay in the "blitzkrieg". The second  
is the destructive power of the  
British Air Force, which is relent-  
lessly, day and night demolishing

DEAR JOHN,

NOW that normal life is  
about to be interrupted  
and neither of us can  
be sure when or where we  
shall next meet, there are  
one or two things I feel I  
should like to say to you.

We are both fortunate that you  
are still at school while the world is  
occupied in turning itself upside  
down. When the time comes for it  
to right itself again, you will have  
a tremendous part to play—however  
small, it will be tremendous. Seeing  
what a mess my generation seems  
to have made of its job (although  
the fact that 50 nations joined in  
sanctions against Italy in 1935 shows  
how near we got to our goal of  
abolishing war), we haven't the right  
to tell yours anything; you must find  
out for yourselves.



Historically, my generation doesn't  
matter in the slightest any more.  
We are the past. You are the fu-  
ture. The qualities you will most  
need in the next few years are self-  
reliance and adaptability. The  
world you are growing up into will  
be a very different world, and a  
hard one. It will demand discipline  
of you, and service, and I know you  
will give them, because I have noted  
the beginning of a new spirit moving  
in you and your friends.

I was born just too soon to avoid  
expecting a measure of certainty  
from life—peace, social stability,  
even a degree of enjoyment seemed  
a part of one's birthright. You will  
at least not make that mistake! And  
if by any chance these things are  
added to you all the more precious  
for not having been expected.

What a situation! And yet do you  
know, at this moment when our  
country is in acute peril I don't feel  
despondent, I actually feel excited,  
even elated. So much that has been  
rotten for so long and seemed to be  
indestructibly entrenched is about to  
be consigned to the rubbish heap.  
The very pace of this catastrophe is  
a reassurance.

With what astonishing rapidity  
things that seemed part of the regu-  
lar pattern of our lives have sudden-  
ly become meaningless. I took Peter  
for a walk on the hills yesterday.  
You know how beautifully careful  
we have always been in this little  
feudal corner of England to conform  
with the social code and to keep  
Peter on the leash going through the  
pleasant woods? Well, yesterday  
when I got to the woods something  
went snap, and I let him off.

Suddenly the pheasants, and his  
Lordship, and the whole elaborate

# LETTER TO MY SON

ramshackle structure for which they  
stand, seemed supremely comic and  
irrelevant. Away went Peter, put-  
ting up those ridiculous birds, like a  
lot of scandalised readers of  
"Punch," and away went the social  
order! I haven't felt so carefree for  
months!

But that is only one small bit of  
it, and perhaps not a particularly  
edifying bit. One's personal emo-  
tional releases are not important  
these days. It seems to me that,  
black as things are for us now, and  
whatever the immediate outcome,  
the prospects for the world are by  
no means hopeless.

Though we are engulfed in the  
greatest war in history I feel opti-  
mistic about possibilities  
of abolishing wars in the future.  
Seeing that I have already been  
through one war to end war, does  
that sound mad? Some of the fac-  
tors of current weakness in the de-  
mocracies may themselves actually  
be symptoms of a better order  
emerging.



ONE of the things that has so de-  
pressed us has been the reluctance  
of the free democracies to prepare  
themselves for defence and (so far  
as the small ones were concerned)  
to fight for their freedom when the  
time came.

But growing detestation of war,  
bred from their experience of the  
sufferings and futility of the last one  
(and coupled with the tremendous  
change in outlook brought about by  
the growing ease of communications,  
which makes national boundaries  
look silly) has set in motion some-  
thing historic.

Peoples have begun to question  
whether national sovereignty is any  
longer the supremely important thing  
it was. Hence their half-hearted-  
ness about its defence. I say "be-  
cause it was, at the time it  
was caught, only a partially-  
formed, almost sub-conscious idea.  
This gave birth force its chance.  
But the tendency is good.

The small Powers have been  
caught midway in a tremendous  
political movement—but the end of  
the movement, don't you see, is  
Federation. What, for the moment,  
has proved a decisive weakness con-  
tains the seeds of strength and  
sanity. And it will develop.

Then again, the whole character  
of warfare is changing. In the old  
days soldiers manning the front line  
were sustained with the knowledge  
that they were protecting their wives  
and children. To-day they have no  
such certainty. While they are busy  
in the line their wives and children  
may be bombed to smithereens be-  
hind their backs. That makes a tre-  
mendous psychological difference—  
and it's not a difference that favours  
the survival of war.



THERE'S another thing, too.  
We have all heard people pro-  
testing against the savage dis-  
regard of the "rules" of war-  
fare.

There aren't any rules of warfare;  
war is a breakdown of rules. For a  
period of history (in the seven-  
teenth and eighteenth centuries pre-  
eminently) monarchs waging war on  
one another agreed on certain rules  
of war because it was necessary for  
them, in the midst of their aggrava-  
tions, to avoid a disturbance of the  
social order from which they  
derived their privilege; upset it, and  
they were gone.

But revolutionary wars are dif-  
ferent—and this is a revolutionary  
war. Hitler doesn't give a damn  
about upsetting the social order in  
the democracies—in fact, he has ad-  
vertised that it is one of the things  
he is after. When we have got it  
into our heads that this war is only  
an enervating manifestation of a vast  
social, economic and political up-  
heaval that is shaking and remould-  
ing the whole world we shall feel  
better about it—and we shall stop  
talking nonsense about "rules." (And  
after all, even the Nazis have been  
ruthless to a plan.)

Our country is about to undergo  
sufferings more terrible and wide-  
spread than any that have happened  
to it since the Black Death, but  
don't let us flatter ourselves that  
even if all of us and of our order  
went down in ruin Freedom would  
perish from the earth. Freedom  
will not oblige the Dictators by  
doing any such thing. It is of far  
too deep and sturdy a growth for  
that—and my generation, though we  
have talked and written so much  
about preserving it (and, to do us  
justice, have even done our spot of  
fighting for it) are certainly not its  
last and only guardians.

Besides don't forget our talks  
about what Freedom is. It is by no  
means the same thing for you and  
me as it is for Clegg, the road-  
mender, or for the miners' sons you  
were in camp with last summer.  
There must be suffering and dark-  
ness first, but out of the new dis-  
pensation, in the end, a new freedom  
will spring, and a better freedom.  
Revolution is always cruel, but it is  
seldom barren.

And the suffering and darkness  
are probably necessary now. We  
have earned them with our indo-  
lence. You know the tag about a  
people getting the Government it  
deserves. I have never thought that  
true; but if one were to judge the  
democracies by their rulers one  
would certainly have to call them  
effete. Complacent, unimaginative,  
indifferent to suffering at home or  
outside—too comfortable, in fact.

Our rulers have foreseen nothing.  
To-day France and ourselves are  
calling on America. Yesterday  
China, Abyssinia, Spain, Czecho-  
slovakia called on us—and got no  
answer. We are left to fight alone  
now because we would not fight to-  
gether when we had the chance and  
the duty. All the democracies have  
let down all the other democracies:  
the only thing they have done col-  
lectively is to suffer from a common  
atrophy of will.

The decent people of this island  
don't deserve such rulers—though,  
perhaps, some of us who saw what  
was happening and tried to say so  
were not faithful enough in our pro-  
tests: when normal channels of pub-  
licity proved insufficient we didn't  
throw up our job and go out into the  
streets and factories to agitate and  
organise.



WELL, now—whatever hap-  
pens—there is going to be a  
radical change. Good-bye to all  
that. And this it is that fills  
me with hope and even a kind  
of joy, though I suppose we are  
about to see the end of many  
things that I personally trea-  
sure.

We have often agreed that this is  
a war of ideas, but so far all the  
ideas have been on the other side.  
That is why the other side has out-  
marshalled us at every point in the  
game. There has been no inspira-  
tion here—and, since Munich, too  
little conviction.

Well, now it is the people's turn.  
What we need to arm ourselves with  
in this country to-day is not only  
guns but brooms. And when both  
the guns and brooms have done  
their job, you and your friends can  
get busy on the site that has been  
cleared and start building a new  
world.

I hope you'll do well in the swim-  
ming next Saturday.

Your affectionate—  
FATHER.

## Will America Come In?

THE American Institute of  
Public Opinion has over  
the past months been taking  
a census of American opinion  
on the question: Do you think  
the United States will go into  
the war in Europe or do you  
think we will stay out of the  
war?

The trend of American  
opinion has been as follows:

1939	go in	stay out
October	45 p.c.	54 p.c.

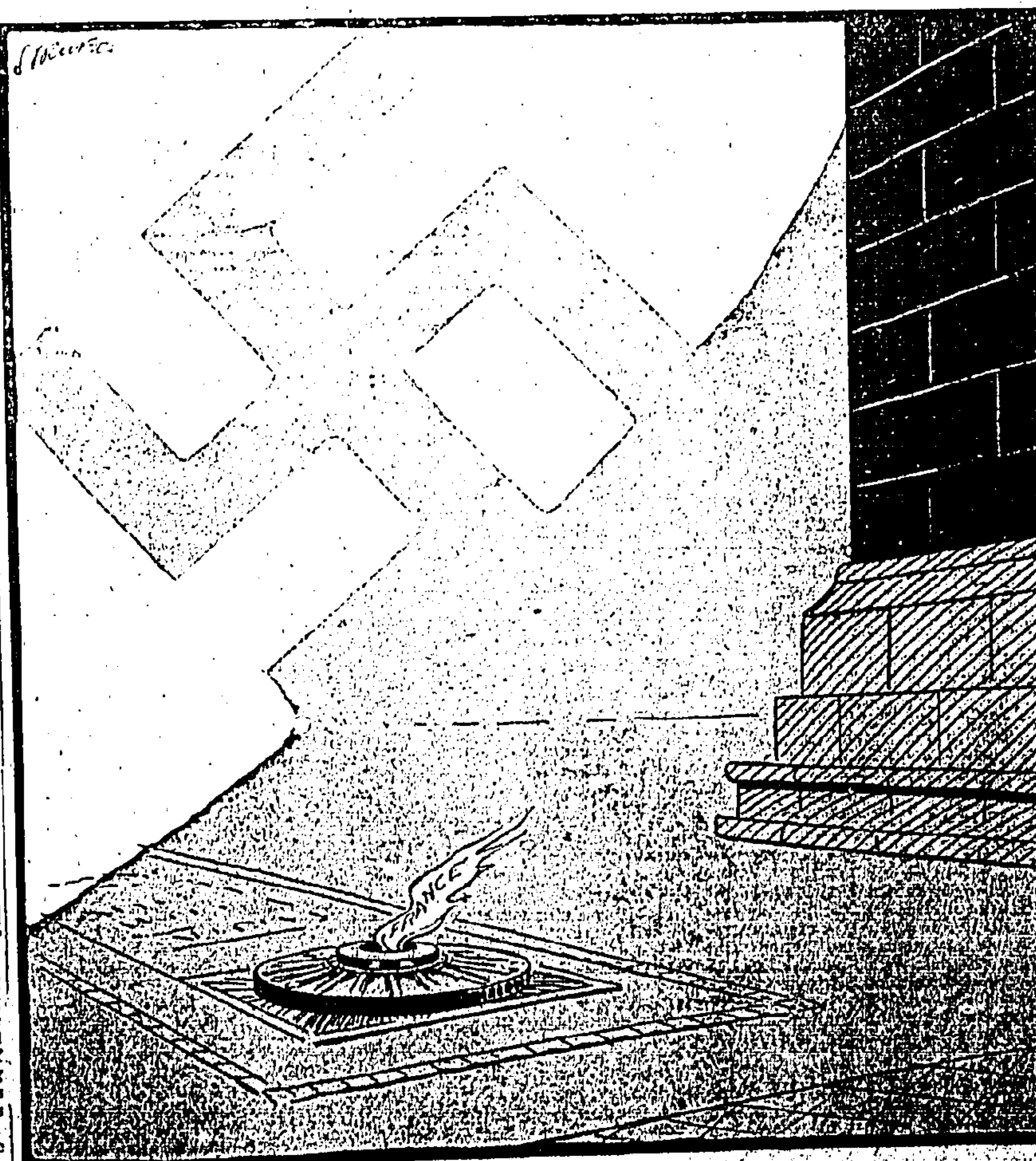
1940	go in	stay out
February	32 p.c.	68 p.c.
May	51 p.c.	49 p.c.

The questions for the May  
result were asked after May  
14, the day of the German  
break-through at Sedan.

Since the Norwegian cam-  
paign and the beginning of  
the Low Countries offensive  
there has been a sharp drop  
in the number of Americans  
who feel confident of an  
ultimate Allied victory.

Eight months ago 82 per  
cent. thought the Allies would  
win, 7 per cent. thought that  
Germany would win and 11  
per cent. held no opinion. In  
the first week of June  
55 per cent. thought the  
Allies would win, 17 per cent.  
that Germany would win and  
28 per cent. held no opinion.

Germany's inadequate stocks of  
petrol, and at the same time making  
her ports untenable. That air force  
is not only superior in skill and  
courage, but also in quality of  
machines. These machines are being  
added to monthly by the enormous  
output in Britain, the United States  
and in Canada.  
These are factors that a wise  
Japanese statesman will consider be-  
fore he embarks upon a policy which  
is fraught with such danger.



UNDYING FLAME



## SHIPPING GAINS

Britain Adds 10,000,000 Tons To Her Service

LONDON, Aug. 7 (Reuter).—As a result of the German invasion of Poland, Norway, Denmark, the Low Countries and the collapse of France, the shipping strength of Great Britain and the Dominions has been increased by over 10,000,000 tons dead weight.

This was disclosed to-day by the Ministry of Shipping. It is pointed out that not all these ships are being used in trade with this country, but are distributed all over the globe, free to engage in every kind of trade except contraband trade with the enemy.

About 5,000,000 tons are Norwegian, 3,000,000 tons Dutch and 500,000 tons under the control of the Belgian and Polish governments.

All are ships of 800 gross tons or more.

### Under Ministry's Control

In addition, there are now, under the direct control of the Ministry of Shipping, three important categories of foreign shipping.

Firstly, there is the Danish shipping, seized for British service, amounting to about 500,000 deadweight tons. Because of the circumstances in which the independence of Denmark was extinguished, there is no alternative to transferring these ships to the British flag.

Secondly, French shipping under British control amounts to about 500,000 deadweight tons. In order that they be free to assist the common war effort, these ships were requisitioned after France's signature to the armistice. They will sail under the British flag but will also fly the French flag.

The Ministry adds that many French officers and seamen have accepted Britain's offer to remain in employment in these ships on the same terms as British officers and seamen.

Thirdly, there is a great number of ships of various nationalities on time charter to the Ministry of Shipping. They now amount to 1,250,000 deadweight tons.

## Thyssen Works Disorganised

Tolling Effect Of R.A.F. Raids

LONDON, Aug. 7 (Reuter).—A neutral journalist, who has been allowed to see some of the results of the bombing of the Thyssen Works near Dusseldorf, reports that he was told that the Works and vicinity have been raided 28 times during the past 18 months.

Factory officials told him that 20 workers went to air raid shelters during the raids. Many German factories start work later so that the workers can make up for the sleep lost during air raids.

### Laboratory Badly Damaged

He saw a laboratory which was badly damaged by one bomb during a three-hour raid on June 16. German Air Force Officers told him that an area of 1,000 square yards had to be cordoned off around any R.A.F. bombs which did not explode. He was also told that plans have been made to move 40,000 workers to new quarters if the R.A.F. raids are intensified.

### THE BIGGEST LAUGH HIT OF THIS OR ANY SEASON

TIM'S A BIG HE MAN... HE AIN'T NO LADY But Imagine His Embarrassment... HE'S GOING TO HAVE THE BABY!



Hal Roach presents

TURNABOUT

ADOLPHE MENIQUET • CAROLE LANDIS JOHN HUBBARD • WILLIAM GARGAN VERNIE HESLOP • MARY ASTOR

NEXT CHANGE AT THE KING'S

## STRENGTHENING SINEWS OF WAR

FROM PAGE ONE

famine, for which his aggression and conquest are responsible, has condemned considerable areas of his newly-acquired territory to be a multitude of refugees have tramped on growing corn. His tanks have devastated much of the countryside and his own crops are not very good this year. Next spring he will begin to feel the pinch of the food problem even more seriously than now. He will continue the making of war material but some of his chief industrial areas and aerodromes have suffered very heavy punishment.

"Oil refineries, stores, railway junctions, marshalling yards, docks, and ships have been and will continue to be targets for our deadly bombing planes night by night, week by week, more heavily as our bombing strength increases."

### Heavily Damaged

"His output undoubtedly has been very seriously interfered with. It will be difficult, if not impossible, to repair the damage to productive enterprises, lines of communication, etc., for a considerable time. He will need to draw more and more on his reserves and the more vigorously he prosecutes the war the more rapidly his stores will disappear."

"He will find it increasingly difficult to replace the losses. Measures have been taken to ensure that Hitler shall not draw sustenance from foreign sources. Not only Germany but the controlled territories will be unable to carry on any scale with the outside world."

### Extensive Blockade

"The blockade operates over a wide area which must become more and more impoverished as its trade arteries are cut. Hitler will continue to seize all food and materials he can from the over-run territory, but once he has disposed of his victims, his supplies will either cease to become less plentiful."

"Hitler boasts that he possesses unlimited quantities of iron. Iron he possesses in great quantities and he probably has no need to fear a shortage of aluminium. But his coal situation is different and his supplies hereafter will be seriously short. He may sit upon mountains of iron ore but as he has not the coal whereby it can be smelted, it will not be of first class military value."

"In a normal year this country exports some 30,000,000 tons of goods to the continent of Europe. None of that henceforth will fall into the hands of Germany."

"As regards oil, of 20,000,000 tons normally consumed throughout Hitler's territories per annum, he can hope to produce or procure not more than one half."

### Strain Will Be Great

"These are mere pointers to the situation in which Hitler finds himself economically. If and when the pinch comes as it will sooner or later in a 100 different directions, it is more than doubtful whether the produce of Germany and other lands will be able to stand the strain. Yet we must not for a single moment underestimate the power arrayed against us."

"The German mind and strength have been devoted to one single purpose, preparation for the strongest and most terrible fighting force the world has ever seen."

"The German economic system has been for some years on a war footing. We must remember that we have not yet felt the full brunt of Hitler's blow."

"We have proved that we are capable of becoming as efficient for war purposes as the dictator, but we are still in the process of the change-over from peace to war economy. We have got to make the best of our resources which must be directed for a victorious conduct of the war and the maintenance of a national spirit."

### We Intend To Win

"We intend to win this war. The Government do not intend to allow the limit of its prosecution to be anything else than the whole resources of manpower, industrial capacity, finance and foreign assets at our disposal. To achieve the maximum effort, we must plan our economic strategy with the view to the best co-ordination and co-operation of all the agencies concerned."

Mr. Greenwood then detailed the new arrangements made for consideration of a number of economic problems and co-ordination of their economic effort, saying that each main group of problems was dealt with by a sub-committee composed of members of the War Cabinet and the ministers in charge of the departments concerned.

### Serious Problem

One of the most important factors in the effectiveness of their economic warfare was to deal with the serious problem of surplus overseas commodities in such a way as to make them an advantage to Britain and a disadvantage to the enemy.

The collapse of France greatly increased the difficulties of production and "we will give complete priority to those essential weapons of war which will provide maximum resistance to the enemy in the shortest space of time. There need to be in our minds the possibility of a long war."

"Priority has not worked as well as it should, but having had to make this great spirit for immediate war purposes we are now considering further measures to ensure as far as possible that materials, plants and labour are effectively used to carry out the production programme."

### Industrial Capacity

Mr. Greenwood then dealt in detail with the industrial capacity and organisation and said that provision had also been made against the destruction of factories, from the air, with plans for rebuilding and for moving of reserve plants.

He recalled his statement on July

## Exchange At A Glance

SELLING

T.T. London	1/2 3/4
Demand London	1/2 3/4
T.T. Shanghai	38 1/2
T.T. Singapore	52 1/2
T.T. Japan	54 1/2
T.T. U.S.A.	52 1/2
T.T. Manila	44 1/2
T.T. Batavia	41 1/2
T.T. Bangkok	149 1/2
T.T. Saigon	50 1/2
T.T. France	Nom.
T.T. Switzerland	95 1/2
T.T. Australia	1/6 1/2

BUYING

4 m/s L/C London	1/3 1/4
4 m/s D/P London	1/3 1/4
4 m/s L/C London	1/3 1/4
4 m/s France	Nom.
30 d/s India	54 1/2
U.S. Cross rate in London	4.02 1/2
U.S. Cross rate in N.Y.	3.03 1/2

11 in the House of Commons regarding new organisation to deal with purchases in North America through the Canadian and United States channels following dissolution of the Anglo-French organisation.

The new organisation had been actively at work since Government was now engaged in an effort of national rearmament and mobilising American industry for that purpose.

While, therefore, but a few months ago Britain was placing orders with American industry to supplement the deficiencies in the combined Allied production, they had now the need to embark on a much more extensive programme which must be related to the American national defence preparations.

Therefore the House would readily understand the complexity of the question involved in the task of the British Purchasing Commission in New York.

"At the same time we need both in New York and London to co-ordinate our requirements with those of India, the Dominions and our allies, who must look to us for supplies."

"The United States and Canada have been our two most important potential providers of war material."

"The policy of anchoring prices of essential commodities will be continued. We believe by these means that we shall ensure the unimpaired health of the nation."

### Not Too Rosy

"We have taken steps to increase exports and we will do everything we can properly do in that direction. But in the present circumstances, it is clear that the possibilities of increased exports are not too rosy."

"It is important that we should use foreign exchange as far as we can for the purchases of aeroplanes, munitions etc., abroad. At the same time, we need to retain a proportion of skilled labour on home production for commodities for export in order that our supplies for foreign exchange may be maintained."

"We must limit imports to things essential to the consumption and productive services. At the moment our shipping position is not too rosy and generally has not been very seriously impaired, but we are bound to recognise that our ports and our shipping will be among the main objectives of the enemy's attacks."

"It is prudent, therefore, that our country make as much as we can of those foodstuffs and materials as can be readily stored to build up our stocks against the day when our capacity to import may not be so great."

### Cannot Be Starved Out

"If the enemy hopes he can starve us out he is very greatly mistaken. Starvation of the people of this country is impossible. Nothing could be more emphatic than that."

Concluding, Mr. Greenwood declared, "Looking ahead it might be necessary to reduce the rate of intake of commodities which are not indispensable. We must use our ship-borne trade for the national cause and public good."

"The House won't expect me to give exact details of the great increases in military production during recent weeks, but I can assure members that very great strides have been made in speeding up the production of aircraft and army equipment. Greater strides have been made and greater strides will be made."

"There are shortages of certain materials etc., and we must reckon on difficulties arising from the bombing of factories, foundries, and shipyards and the mining of ports and the sinking of ships."

"But in spite of all this, there is no real cause for dismay. The monstrous swollen German Reich is already largely beleaguered. It has only limited external supplies, while we can stretch across the seas where the treasures of the world lie and bring them to our shores, and we are assured of the active help of free peoples, and the supplies of the New World to reinforce our own efforts."

### Member's Queries

Mr. R. Shawell (Labour) urged an exhaustive survey of the country's economic possibilities, and asked, assuming the war lasts two or three years, has the Government estimated the needs in aircraft, guns, munitions, labour, raw materials and exports?

Was there a definite allocation as between actual war essentials and

## CONFIDENT CAN STOP ITALIANS

FROM PAGE ONE

probably advance along the coast on Alexandria.

Italians Fearing The Pace  
CAIRO, Aug. 7 (Reuter).—A communique issued to-day states that on August 5 an Italian column entered Zeila unopposed.

On the same day Hargesa was captured by a strong force which included tanks, artillery, machine-guns and aircraft.

Our delaying force fell back after inflicting severe casualties, including three tanks.

Our casualties were slight.

### Odweina Occupied

On the morning of August 6, Odweina was occupied by the enemy with infantry, guns and armoured fighting vehicles at 8 p.m.

A small motorised force of the Somali and Camel corps harassed the enemy, themselves suffering no loss.

### Palestine Warfare

As regards Palestine, enemy aircraft again raided Haifa on the morning of August 6. A number of bombs were dropped, nearly all of which fell harmlessly in the sea or on waste ground in the town.

Military casualties were nil. Civilian casualties were under ten. Anti-aircraft defences came quickly into action and opened a heavy fire on the raiders.

On the Western Desert, some enemy movements are reported. Otherwise all is quiet.

### Offered As A Gift

LONDON, Aug. 7 (Reuter).—Regarding the Cairo communique, it is stated in authoritative circles in London to-night that Zeila, which was offered to Italy as a gift in 1935 and was refused, was undefended.

The Italians have now to get along the coast road to Berbera, a distance of 150 miles.

British resistance, it is stated, will begin in the hill country beyond Hargesa and Odweina.

Exports and the civilian needs, he asked.

Mr. Shinwell declared that according to a reliable estimate Germany has 700,000 men and women training in industry, while we had 25,000 trainees and we envisaged 40,000 being trained this year.

Mr. Shinwell proceeded to talk about unemployment and under-employment in Britain and suggested that instead of allowing miners to remain unemployed the Government might finance the building up of huge stocks of coal, or divert the miners into the war industries.

He also suggested that in order to meet a German attack on shipping, deep-sea harbours on the west coast should be improved and in order to develop a large export trade, manufacturers and export companies should finance it. Individual effort for the production of a full-scale modified or replaced by a full-scale system of collective production.

Mr. Shinwell added that we could not rely too much on the United States who might be embroiled in a war with Japan. It was better to assume that we must rely on ourselves and to organise accordingly.

### Not Very Convincing

Sir George Schuster (National Liberal) said that Mr. Greenwood's account was not very convincing and he urged that the first step should be to establish a central directing authority, and that we should aim with the American countries to build up a satisfactory economic regime for the war period to give the inhabitants of these countries a satisfactory basis of life and to deny to their enemies what they needed.

### Rest Of Debate

Mr. J. C. Wedgwood urged the need of finding markets for our surplus products, giving as instances G.O. Coast cocoa and Straits tin and rubber.

Mr. Ernest Bevin, the Minister of Labour, declared that there was a plan for labour and the plan was working. He said that "while the Government was doing all they could to train men for industry, they were not getting on with the fact that they might from industry itself."

He concluded: "While we may make mistakes in judgment, we are planning towards securing final victory."

### Reply For Government

Mr. H. Macmillan, Parliamentary Secretary to the Ministry of Supply, replying to the debate on economic organisation in the House of Commons, said the Government's task was even more complicated than turning over to war economy, because war economy itself had to be adjusted to rapidly-changing strategic and tactical considerations.

He could not announce the broad outlines of a large-scale economic plan. The vast scale of events must be borne in mind and the first definite plan was to give every shew of our strength to preparation for the next few weeks and months.

There might be possible for the ministers to give in a more completely worked-out form the general system which they were gradually bringing into being over a wide sphere of our national economy.

## WAR GUILT TRIAL

French Ex-Ministers To Be Indicted

LONDON, Aug. 7 (Reuter).—"Reuter" learns that the Supreme Court to try the men regarded as responsible for the declaration and conduct of the war opens to-morrow at Riom, ten miles to the north of Clermont-Ferrand.

There is apparently at present no official list of the accused but M. Daladier, M. Mandel, M. Campinchi and M. Delbos, who went to Casablanca after the armistice was asked for, will be closely questioned.

M. Daladier, who was Prime Minister of France when war was declared, is now at Orange under a Police guard, awaiting instructions.

### The Central Figure

M. Mandel is the only one of the four who is kept under close arrest. He is likely to be the central figure of the trials. M. Mandel never concealed the fact that he is a Jew and in December, 1938, he refused to attend a State reception in honour of Herr von Ribbentrop who had just signed a pact of eternal peace between France and Germany.

To-morrow's proceedings are expected to be purely formal. Thereafter "witnesses" will be examined and individual indictments framed.

### PASSENGER SHIP TORPEDOED

FROM PAGE ONE

crew displayed great courage and coolness after the explosion and in the rescue operations. They might have been queuing up for passengers for a cinema show, so easily and coolly did they go about the work of marshalling those aboard.

Captain Smith added that the passengers were having lunch when the torpedo exploded and they fled out of the dining room in orderly fashion. There was abundance of rooms in the life-boats, and most of the loss of life was due to the overturning of a motor-boat and direct hits on the liner.

Men in the life-boats sang "There Will Always be an England" when on the way to the rescuing ships.

### Fourth Torpedo

A steward who had been torpedoed four times, including the Lusitania and the Yorkshire, said the torpedo hit them amidships and shook the ship from stem to stern. There was not a trace of panic. The passengers and crew behaved marvellously. None of them saw the submarine but they understood that at least one was sunk a few hours later.

19 Missing  
LONDON, Aug. 7 (Reuter).—It is learned that only 10 persons, namely 11 passengers and eight crew, are missing from the liner Acrea.

### SITUATION QUIET BUT...

FROM PAGE ONE

to be sailing on schedule for Indo China ports.

Official In Hongkong  
Some interest has arisen locally at the recent arrival here of Commandante Castex, who is stated to be representing the Governor General of Indo China. The "Telegraph" learns that Commandante Castex, including the G.O.C. British Troops, during his stay here.

### Grow Calls On Matsuoaka

SPECIAL TO THE "TELEGRAPH"  
TOKYO, Aug. 8 (Domei).—The United States Ambassador, Mr. Joseph Grew, called on the Foreign Minister, Mr. Yosukata Matsuoaka, at 5 o'clock on Wednesday.

It was understood that Mr. Grew questioned the Foreign Minister about foreign Press reports regarding the Franco-Japanese negotiations on the French Indo-China situation. The Foreign Minister pointed out that the Press reports were "utterly inaccurate."

The Ambassador's move is believed to be indicative of the United States concern over the possible developments in French Indo-China.

### THE WAR FUND

A total of \$1,301,214.55 was reached yesterday by the War Fund inaugurated by the S. C. M. Post, Ltd. Latest subscription: Mrs. A. H. de Roza Macao ... 2

LONDON, Aug. 7 (Reuter).—Sir Kenneth Lee, Director-General of the Ministry of Information, has resigned and is succeeded by Sir Frank Pick, formerly a member of the London Passenger Transport Board.

## NEW K SHOES



Tan calf and white nubuck on a comfortable last in two width "plus" fittings.

\$37.50. less 10% cash discount

TAN or BLACK K. SHOES

From \$29.50. in all sizes

MACKINTOSH'S LTD.

K. AGENTS

DRINK **EWO PILSNER** At Jimmy's Kitchen

**PEPSODENT** TOOTH PASTE and POWDER CONTAIN IRIUM FOR GREATER CLEANSING POWER

**Parisian Grill**

**Air-Conditioned**

Music during Lunch & Dinner Tel. 27880 for reservations. Open till 1 a.m.

No. 117  
Have You the **FIGURE** that Men **Admire**  
She's got that attractive, slim figure so much admired by the opposite sex. She maintains her lovely figure and keeps in perfect health by taking two Bile Beans regularly every night at bedtime. You, too, can gradually melt away those surplus pounds of fat, enjoy radiant health and get the figure that men admire. If you take Bile Beans nightly.  
OVER 1,000,000 BILE BEANS ARE SOLD EVERY DAY  
All traders and dispensaries sell Bile Beans. For FREE SAMPLE write agent mentioned below, enclosing stamp for postage.  
This is how Bile Beans act. Bile Beans are prepared from pure vegetable extracts, and, therefore, can be taken regularly every night with perfect safety. They tone up the system, purify the blood and remove fat-forming residue daily. Thus keeping you healthy, happy, and slim.  
**BILE BEANS**  
GIVE YOU THE FIGURE THAT MEN ADMIRE.  
Agents—Messrs. Gilman & Co., Hong Kong.

CHILDREN love its taste  
MOTHERS know it's safe  
**CASTORIA**  
THE CHILDREN'S LAXATIVE

A pure vegetable preparation. Thorough, yet gentle in action. Will not gripe. Try it.

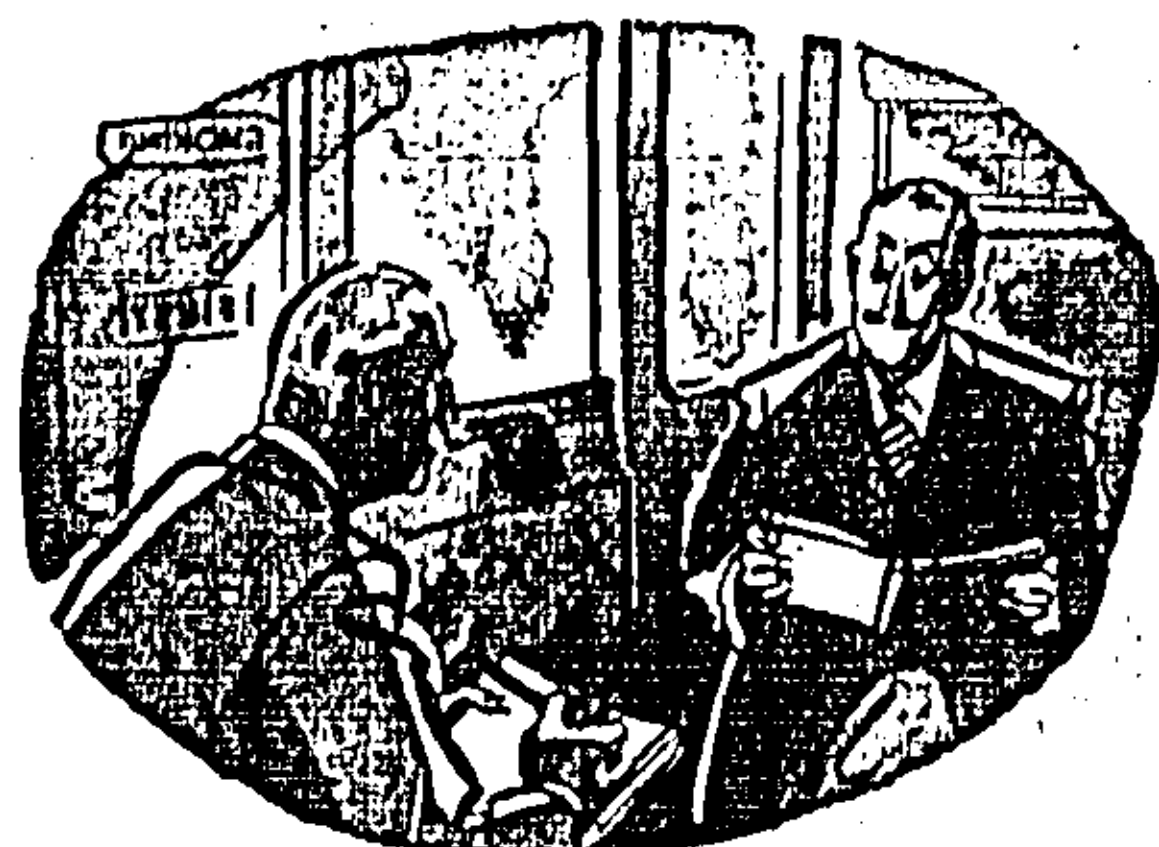
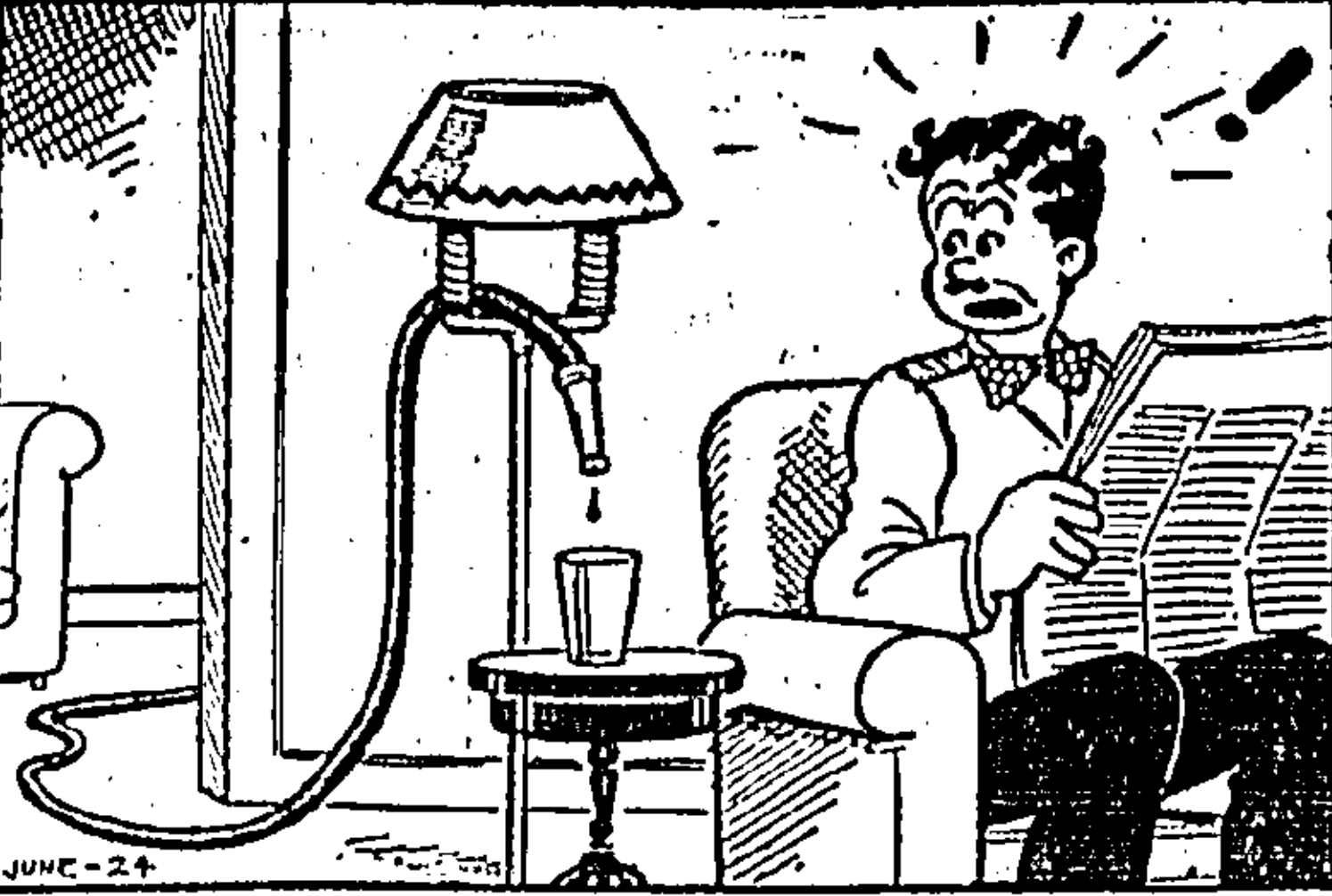








# NANCY



## FIRST CLASS TIP

"Might I enquire, Sir, whether you have recently visited Spitbergen or Baffin Island?"

"Of course I haven't."

"Then no doubt you are interested in some commercial form of refrigeration — chilled beef, for instance?"

"Nothing to do with it."

"In that case, Sir, you will have no objection to closing that window. It is exceedingly cold, and the draught is ferocious."

"I beg your pardon, Sir. I'm terribly sorry. Fact is, I've a most appalling headache, and the cool air does it good. I attended a most enjoyable party last night, and I'm feeling much the worse for it."

"My dear fellow, why didn't you say so at first? Trouble is, it's no long since I've had a hangover myself. I've almost forgotten the symptoms. Was there no Rose's Lime Juice in your corner of the Shires?"

"Afraid I don't follow you."

"Rose's Lime Juice, I said. Canceled hangovers in advance. You either mix it with gin, or swallow a stiff glass solo before bed. Why, man, it's smoothed the paths of thousands."

"You're telling me that Rose's fills this long-forgotten want?"

"I've never known it fail."

"Then, Sir, I am deeply indebted to you. Here is my card. I trust that we shall see more of each other. Much more. Are you by any chance free to dine tonight? Wonderful how these chance encounters change the course of one's whole life."

"My dear fellow, why didn't you say so at first? Trouble is, it's no long

## TO BUY EGYPT'S COTTON

### British Government Appoints Commission

LONDON, Aug. 7 (Reuter).—The establishment of a commission with powers to purchase Egypt's cotton crop was announced by Mr. R. A. Butler, Under-Secretary for Foreign Affairs, in the House of Commons to-day.

Mr. Butler declared that anxiety had been growing for some time in Egypt regarding the disposal of the 1940 cotton crop, the picking of which was about to begin.

Owing to the great reduction of the demand due to war conditions and difficulties of export, danger was imminent that the bulk would be left unsold in the hands of the cultivators, which would be an economic disaster of the first magnitude.

On representations by the Egyptian to the British Government, the latter accordingly decided to respond by setting up a commission to purchase cotton. On this commission the Egyptian Government was being asked to nominate a representative.

This commission would be prepared before April 30, 1941, to purchase all lint and cotton derived from the 1940 Egyptian crop or as much as was offered to them and all mercantile cotton seed as distinct from sowing seed.

### Britain To Bear Cost

The British Government would bear the whole or any net loss which might arise from the transaction as a whole, but they would share equally with the Egyptian Government any net profits which might accrue, on the understanding that such profits as may be returned to the Egyptian Government under this arrangement would be used by that Government for the relief of cultivators in a manner to be agreed on between the two governments.

Asked if the Egyptian Government, as an ally, was co-operating to the fullest extent in this matter, Mr. Butler replied amid cheers: "We take that for granted."

## Hungary And Rumania Start Talks

### ADJUSTING RELATIONS IN THE BALKANS

LONDON, Aug. 7 (Reuter).—According to a Budapest despatch to the official German news agency, M. Bossy, the Rumanian Ambassador in Rome, has been sent to Hungary as special envoy to begin preliminary talks with the Hungarian Government.

### Envoy Arrives

BUDAPEST, Aug. 7 (Reuter).—M. Bossy has arrived and is expected to have immediate talks with the Hungarian Prime Minister and Foreign Minister.

Despite the high hopes entertained by Hungary after Hitler's talk with the Rumanians at Berchtesgaden, many people here have little faith in the result of the negotiations which are expected to move slowly to an inconclusive end.

It is noteworthy that the Germans here are busy trying to damp down revisionist enthusiasm, and are suggesting, for example, that a part or even the whole of Slovakia will be offered to Hungary as compensation for the smallness of the concession to be obtained over Transylvania.

The possibility of open Hungarian-Rumanian hostilities is not at present seriously discussed in Budapest although mobilisation is now almost complete.

## Wins Bar To His D.F.M.

LONDON, Aug. 7 (Reuter).—Among R.A.F. awards announced to-day is a bar to the Distinguished Flying Medal to Flight Sergeant William Henry Franklin, formerly laboratory assistant in Eastern London.

Flight Sergeant Franklin has shot down ten enemy aircraft and has assisted in destroying a further two. On one occasion he encountered seven fighters. He engaged five of them and destroyed one.

## REPATRIATION OF BRITONS

LONDON, Aug. 7 (Reuter).—A Swedish steamer has arrived at a Scottish port from Petsamo, Finland, with 125 Britons, who had been interned in Sweden after being cut off between Trondheim and Narvik when the British Army was evacuated.

They are mostly troops, with a few airmen and seamen. A further 111 are to be repatriated.

## Spain's Threat To Britain

SPECIAL TO THE "TELEGRAPH"

MADRID, Aug. 7. (UP).—The "Fascist newspaper" "Arriba" declared to-day that Spain was "physically on the verge of battle" against Great Britain.

"Spain is a moral bel-ligerent," it declared. "Britain is the direct violator of our destiny. We cannot overlook her armed forces menac-ing the integrity of our territory."

## Honour For Indian Poet

SANTIKETAN, Bengal, Aug. 7 (Reuter).—Sir Rabindranath Tagore, the 80-year-old Indian poet, received the degree of Doctor of Letters (Honoris Causa) of Oxford University at a special convocation of Oxford University held here to-day.

This is believed to be the first time that a special convocation was held outside of Oxford. Sir Maurice Gwyer, the Chief Justice of India, represented Oxford University.

Sir Rabindranath, in Sanskrit, thanked Oxford University "for its precious gift to him and his country."

NAIROBI, Aug. 7 (Reuter).—The second official casualty list of East Africa Force contains 17 names, all Africans, except two British sergeants dead.

## Crossword Puzzle

By LAIS MORRIS

ACROSS

- 1—Permitted to live
- 7—Couple
- 11—Procession
- 12—Competitor
- 13—Pretax; not
- 14—Execute by hanging
- 17—Seventeenth letter
- 18—Faintly color
- 21—Parrot
- 22—Russian ruler of 1917
- 24—Not as large
- 26—Bullock
- 28—Moisture on eyes
- 29—Worm
- 30—Bolivian dried potatoes
- 31—Worm
- 32—Freedom
- 33—Red vegetable
- 34—Red vegetable
- 40—Large body of water
- 41—Exclamation denoting surprise
- 42—Repeat
- 43—Faint article
- 45—Wading bird
- 47—Conciliate

DOWN

- 2—Parts for window
- 3—Eighteenth letter
- 4—Piece of cloth
- 5—Prepare for publication
- 6—Lower
- 8—Clergyman
- 9—Small island
- 10—I have
- 15—Order sword
- 16—Looks at amorously
- 19—Polish general of Turkish army (died 1830)
- 20—European river
- 23—Dishes
- 25—Kacapa
- 27—Prime mover
- 28—Diagrams
- 29—Here
- 31—Laughing animal
- 32—Basis of decimal system
- 35—Inclined
- 36—Trousers
- 37—Cloth shelter
- 42—Spot
- 43—King (French)
- 46—Hadium
- 48—Within

1 2 3 4 5 6 7 8 9 10

11 12 13

14 15 16 17

18 19 20 21

22 23 24 25

26 27 28

29 30 31 32 33 34 35 36

37 38 39 40

41 42 43 44

45 46 47 48

49 50

## Absorption Of Alsace

### Hitler Appoints An Administration

LONDON, Aug. 7 (Reuter).—Indications of Hitler's plans with regard to the absorption of Alsace-Lorraine and Luxembourg into the Reich are contained in two decrees issued by him to-day whereby the entire administration of Alsace-Lorraine and Luxembourg will, in future, be no longer independent on the Army authorities, but will be conducted by civil administrative chiefs acting immediately under Hitler.

Joseph Buerckel, Robert Wagner and Gustav Simon are appointed Gauleiters for Lorraine, Alsace and Luxembourg respectively. Baldur von Schirach, the Hitler Youth leader, becomes Gauleiter of Vienna in place of Buerckel.

## FRENCH COLONY LAYS DOWN ARMS

SPECIAL TO THE "TELEGRAPH" CAIRO, Aug. 7 (UP).—It is officially reported that armistice terms are under discussion regarding the fate of French Somaliland.

No details are given. The report adds: "The effect of the collapse of French Somaliland resistance is that the French offensive from Somaliland into Ethiopia is now definitely abandoned."

Meanwhile, it is officially announced in Canberra, the Australian capital, that the Council of New Caledonia passed a resolution on June 24, reaffirming their intention of co-operating with Great Britain.

## Russian Fleet Out, Says B.B.C. Report

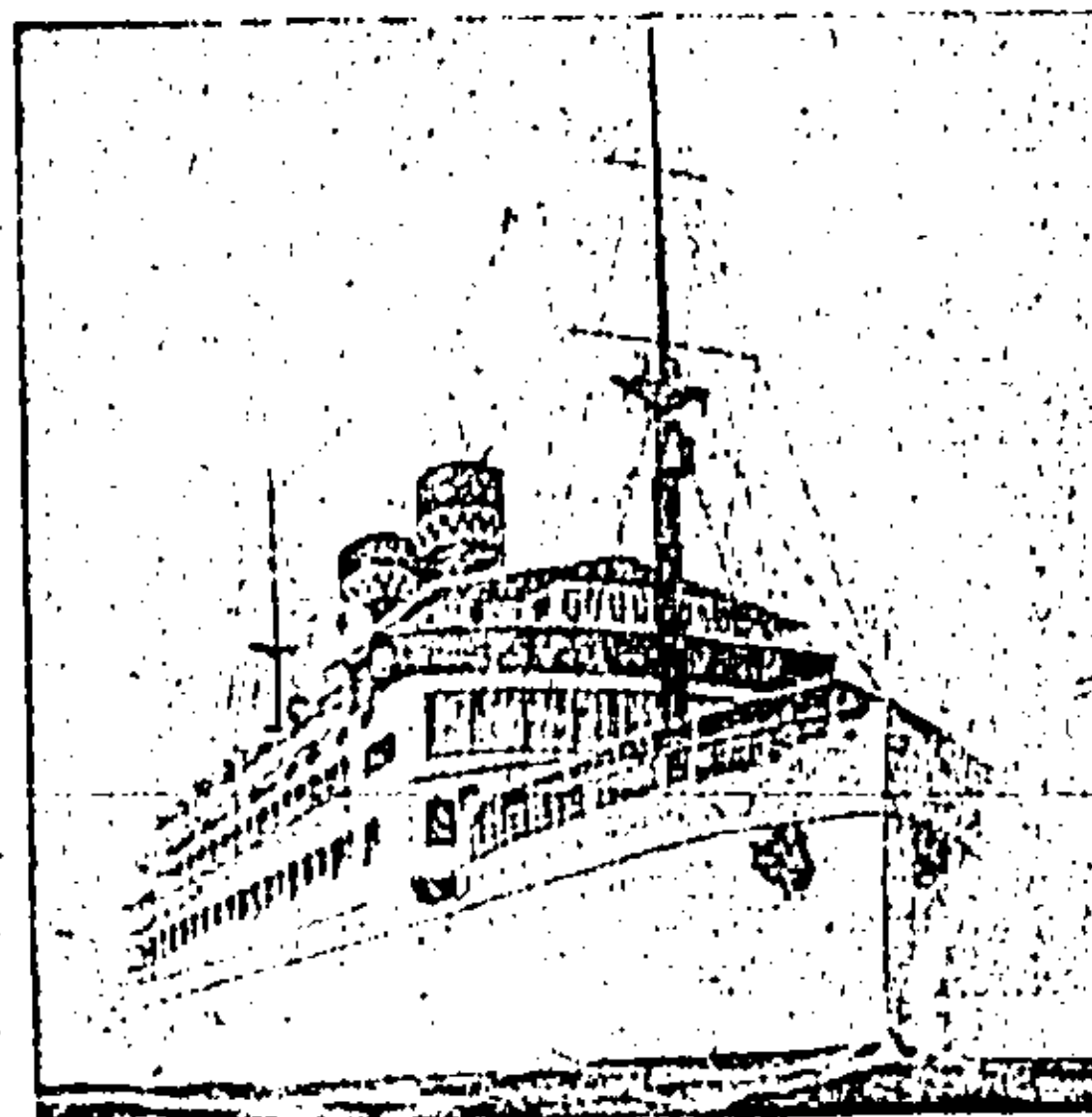
SPECIAL TO THE "TELEGRAPH" LONDON, Aug. 7 (UP).—The B.B.C. has broadcast a report emanating from Radio-Moscow, declaring that the Russian Fleet in the Pacific is engaged in large-scale manoeuvring.

Observers recall that Radio-Moscow has made several announcements of this nature recently and no significance is attached to this report.

## BURNS PHILP LINE

Passenger & Freight Service To

### AUSTRALIA



We have a vessel sailing shortly for Saigon Madang Salamaua Rabaul Sydney and Melbourne

Excellent passenger accommodation with a large number of single cabins at no supplement. Built-in Swimming Bath and Spacious Sports Deck.

Passenger & Freight Agents:—

GIBB, LIVINGSTON & CO., LTD.

Tel. 28031

P. & O. Bldg.

Go Empress ONE MANAGEMENT DIRECT to North America and Europe!

### EMPERESS LUXURY

Speed across the Pacific by luxurious Empress liners, then . . . Victoria . . . stop over if you wish . . . and Vancouver in Canada's Evergreen playground.

### NEXT SAILING FROM HONGKONG

#### FIRST WEEK IN SEPTEMBER

(Omitting Honolulu)

Fast through AIR CONDITIONED trains from ship's side at Vancouver take you through the majestic Canadian Rockies—Lake Louise, Banff—600 miles of travel through Marvellous Mountain Scenery, Niagara Falls and the Great Lakes can be included as optional routes on your coast-to-coast trip. Stop over anywhere you wish.

Then Montreal and Quebec, gay French-speaking cities on the famous St. Lawrence Seaway, and a quick crossing to Europe by one of Canadian Pacific's Atlantic fleet.

### NEXT SAILING TO MANILA

#### LAST WEEK IN AUGUST

For full information consult your travel agent,

Union Building, Hong Kong. Telephone 20752.

or Canadian Pacific World's Greatest Travel System

## PRESIDENT LINER



To SAN FRANCISCO AND LOS ANGELES Via Shanghai, Kobe, Yokohama & Honolulu.

SS "President Pierce" . . . . . AUG. 29  
SS "President Coolidge" . . . . . SEPT. 7  
SS "President Taft" . . . . . SEPT. 13

### To NEW YORK AND BOSTON

Via Manila, Singapore, Penang, Colombo, Bombay & Capetown.

SS "President Harrison" . . . . . AUG. 18  
SS "President Folk" . . . . . SEPT. 15

### To SINGAPORE & PENANG

SS "City of San Francisco" . . . . . AUG. 14  
SS "City of Los Angeles" . . . . . AUG. 27

### To SAN FRANCISCO & LOS ANGELES

Direct

SS "City of San Francisco" . . . . . SEPT. 3  
via Yokohama.

## AMERICAN PRESIDENT LINES

"ROUND-WORLD SERVICE" AGENTS FOR TRANSCONTINENTAL & WESTERN AIR AND UNITED AIR LINES. 12 Pedder Street Telephone 28171.

## AMERICAN PIONEER LINE

(UNITED STATES LINES COMPANY)

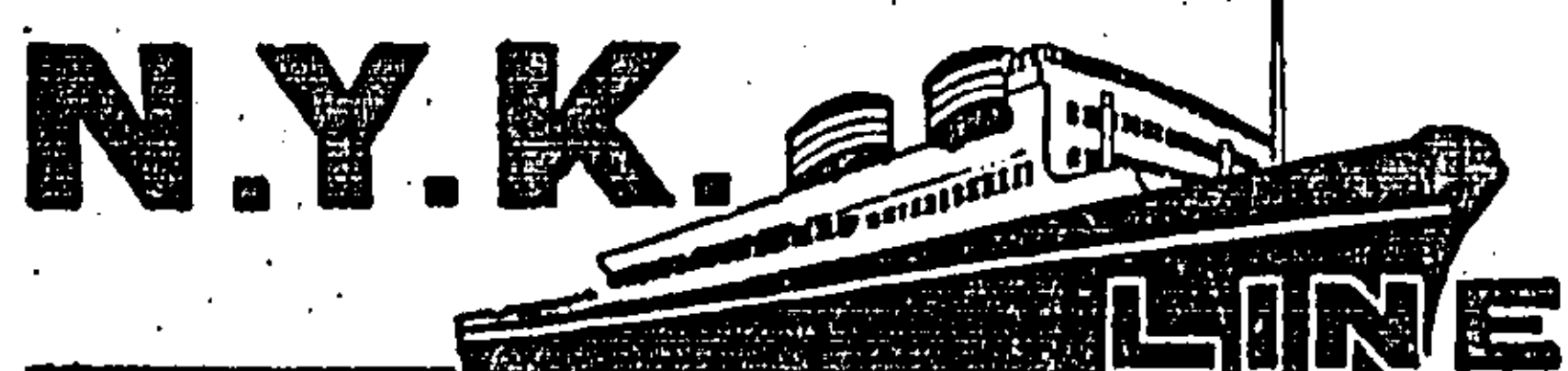
REGULAR SAILINGS FOR NEW YORK, BOSTON, BALTIMORE, PHILADELPHIA VIA PANAMA

CARGO ALSO ACCEPTED ON THROUGH BILLS/LADING FOR CARIBBEAN SEA PORTS AND PERUVIAN PORTS via CRISTOBAL

NEXT SAILING M/V TAMPA LOADING ABOUT AUGUST 23rd.

For full information apply to

American President Lines, Ltd. Agents Tel. 28171



### SAN FRANCISCO & LOS ANGELES via Honolulu.

Kamakura Maru . . . . . Friday, 30th Aug.  
Aomori Maru (starts from Shih) . . . . . Sunday, 29th Sept.

### SEATTLE & VANCOUVER (Starts from Kobe)

Hikawa Maru . . . . . Wednesday, 4th Sept.

### NEW YORK via Panama.

Azumura Maru . . . . . Wednesday, 21st Aug.

### LIVERPOOL via Cape Town.

Husimi Maru . . . . . Sunday, 11th Aug.

### SYDNEY & MELBOURNE via Manila.

Kamo Maru . . . . . Wednesday, 28th Aug.

### BOMBAY via Singapore & Colombo.

Okita Maru . . . . . Wednesday, 14th Aug.

### RANGOON & CALCUTTA via Singapore.

Nagato Maru . . . . . Sunday, 11th Aug.

### Kobe & YOKOHAMA.

Hakusan Maru . . . . . Wednesday, 14th Aug.

Haruna Maru . . . . . Wednesday, 21st Aug.

Atsuta Maru . . . . . Thursday, 22nd Aug.

\* Cargo only.

### NIPPON YUSEN KAISYA

KING'S BUILDING TELEPHONE 30201. General Passenger Agents in the Orient for Cunard White Star Line



# KINOW

AIR-CONDITIONED THEATRE

SHOWING TO-DAY At 2.30, 5.10, 7.15 & 9.30 P.M.

**DARING! DYNAMIC! DIFFERENT!**



**LAURENCE OLIVIER**  
gives you the greatest role of his career in

**Clouds Over Europe**

**RICHARDSON**  
**VALERIE HOBSON**  
Screen play by Ian Dalrymple  
Directed by TIM WHELAN A COLUMBIA PICTURE

**NEXT** "TURNABOUT" **United Artists'**  
**CHANGE** Starring ADOLPHE MENJOU, **Artists'**  
CAROLE LANDIS, JOHN HUBBARD **Release**

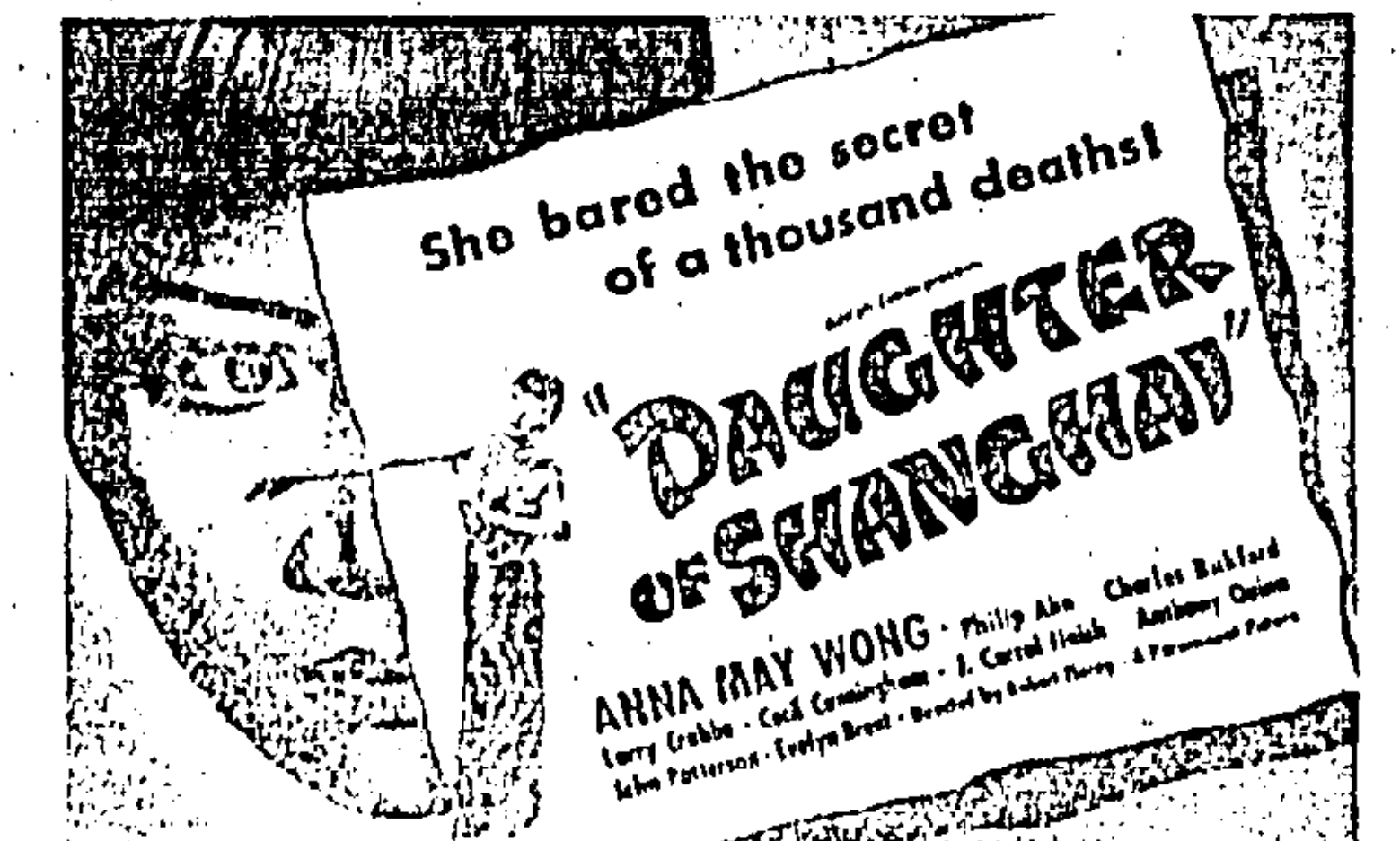
## ORIENTAL

4 SHOWS DAILY 2.30-5.15 7.15-9.30

THEATRE

FLEMING ROAD WANCHAI TEL 28473

**TO-DAY ONLY! RETURN OF A GREAT PICTURE!**  
**SENSATIONAL EXPOSURE OF ORIENTAL SECRETS!**  
Thrilling adventure of a Chinese girl from Shanghai to the front line chorus of a Caribbean diva.



She bared the secret of a thousand deaths!

**"DAUGHTER OF SHANGHAI"**

ANNA MAY WONG - Philip Ahn - Charles Halliday  
Larry Quinn - Gail Conrad - L. Carol Frank - Anthony Quinn  
John Patterson - George Reed - Robert Lee - L. Carroll Jones

**2 DAYS ONLY—TO-MORROW & SATURDAY**  
FROM THE NOVEL THAT THRILLED MILLIONS!

**Charles LAUGHTON**  
**JAMAICA INN**

MATINEES: 20c.-30c. • EVENINGS: 20c.-30c.-50c.-70c.

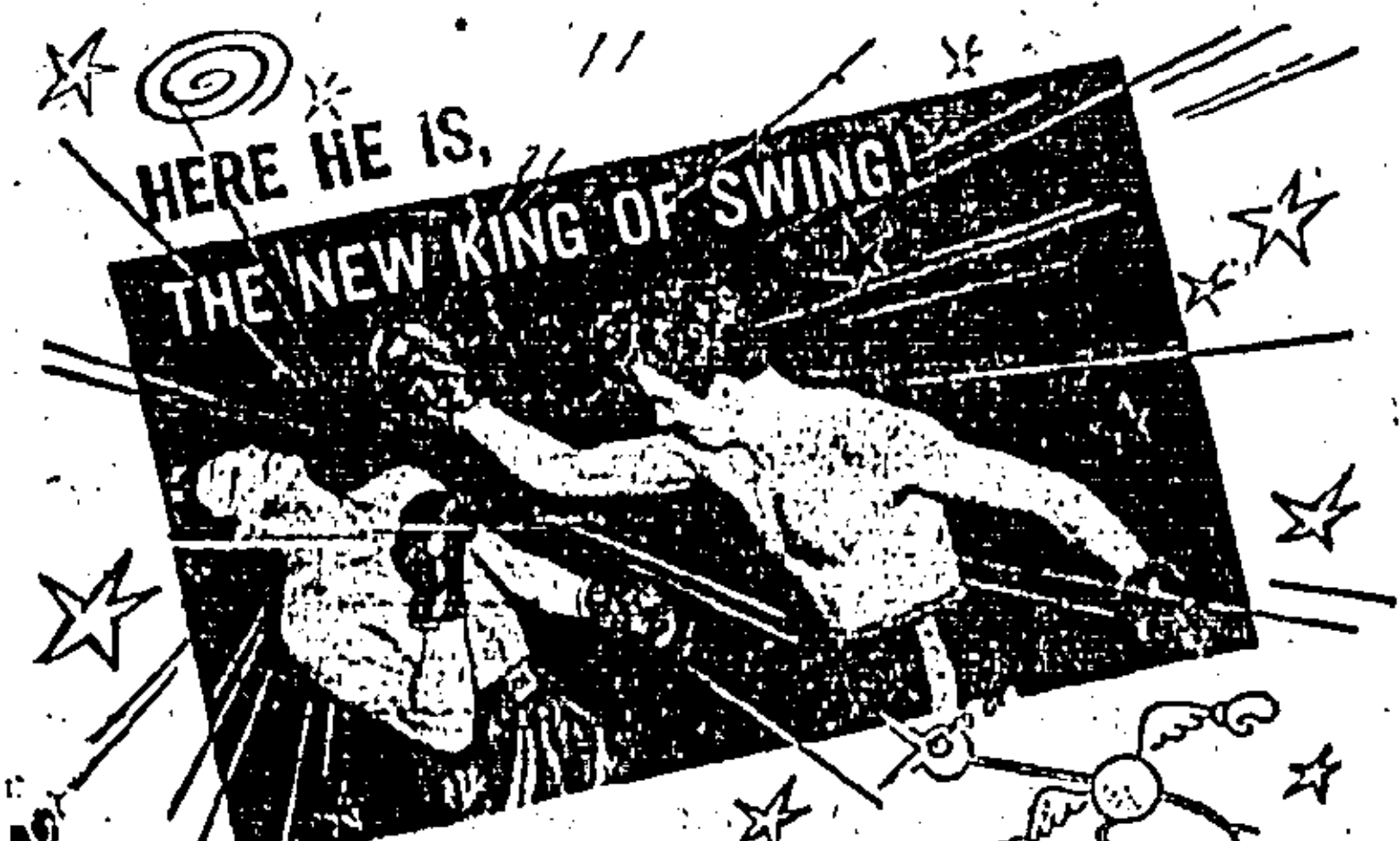
## MAJESTIC

THEATRE

NATHAN ROAD KOWLOON TEL 67222

MATINEES: 20c.-30c. • EVENINGS: 20c.-30c.-50c.-70c.

**FINAL SHOWINGS TO-DAY**  
HE'S GOT A VOICE LIKE A NIGHTINGALE... AND A SOCK LIKE A MULE!... A COMEDY-HIT!!!



HERE HE IS,  
THE NEW KING OF SWING!

**Kid Nightingale**

A WARNER BROS. Picture  
**JOHN PAYNE**  
**JANE WYMAN**  
WALTER CATLET  
ED. BROPHY  
Directed by GEORGE AMY

Screen Play by Charles Belden and Raymond Schrock • From a Story by Lee Kait

**TO-MORROW & SATURDAY**  
THE STORY OF THE MOST AMAZING MAN-HUNT  
THE WORLD HAS EVER SEEN

**BORIS KARLOFF** in **"BRITISH INTELLIGENCE"**  
A Warner Bros. Sensational Drama

## CHUNGKING WARNING

**Foreign Holdings Unsafe In War Time**

Chungking, Aug. 7. A warning to Chinese not to purchase foreign currency for deposit in foreign banks is contained in an article in this morning's official Central Daily News.

When war was confined to China it was understandable that there would be a flight of capital from China, but with war spreading throughout the world there is always the danger that market transactions in foreign currency will be suspended, thereby affecting holders, it says.

In times of world unrest measures like the control of exchanges or the devaluation of currency are not confined to defeated nations. Even victors may resort to such measures, since the abnormal rise and fall of any currency will upset the economic system and trade. The richest country in the world, the United States, devalued the dollar and due to the present drop in the dollar-sterling cross rate there is talk of further devaluation.—Reuter.

## LATE NEWS

### Japanese Ships Cannot Enter H.K. Harbour

As a result of the tie-up of the H. & S. steamer Falshau in Canton the Hongkong authorities have refused permission for the Japanese steamers Kaku Maru and Shirogane Maru to enter Hongkong harbour, the "Telegraph" learns this afternoon.

Trade between Hongkong and Canton was carried on by the Falshau, Kaku Maru and Shirogane Maru in accordance with the 1939 Blunt-Okazaki agreement.

This agreement, it is pointed out, has been nullified by the Japanese action in refusing permission for the Falshau to ply along the Pearl River until certain Japanese pilotage demands are reached.

The "Telegraph" understands that Mr. Blunt, the British Consul General in Canton, is now negotiating with the Japanese authorities regarding the matter. In the meantime, all shipping between Hongkong and Canton has been suspended.

The pilotage fees demanded by the Japanese amount to several thousand yen, according to Japanese reports.

### JAPANESE FLEET MASSING

SHANGHAI, Aug. 8 (Reuter).—With a view to exerting pressure upon the French Indo-China authorities, Japan is now despatching a big fleet of destroyers and other warships to South China waters in preparation for an invasion of Indo-China, according to the "Tayang Yeh-Pao."

Chinese newspapers in Chungking continue to publish reports about the French colony with banner headlines and voice an unanimous demand that the French authorities should immediately cease all efforts to reach a compromise with Japan.

Following an important conference on August 5, the Chinese Government decided to carry out plans for defence in the event of a Japanese invasion of Indo-China.

About 300,000 crack Chinese troops are now stationed along the Yunnan-Kwangsi-Indo-China borders, and all necessary military preparations along these areas have been completed.

### France Requests U.S. Intervention

BERLIN, Aug. 7 (Dome).—France has asked the United States to exercise pressure upon Great Britain for lifting the British blockade against unoccupied France, a radio report quoting French political quarters in Vichy declared on Tuesday.

### SPOKESMAN ON BURMA ROAD

TOKYO, Aug. 8 (Dome).—Information has been received in Tokyo that the traffic of war materials is still in progress along Burma Road, Japanese naval spokesman declared to-day.

"If this is true, Britain is not keeping her promise faithfully," spokesman added.

"The situation must be clarified."

### Japanese Allege Discrimination

WASHINGTON, Aug. 7 (Dome).—The Federal Maritime Commission to-day announces that two American vessels have been permitted to convey gasoline to the Soviet Union.

It also announces that two applications for transporting petroleum and metals to Japan have been rejected.

No reasons for the discrimination are given.

## NOT TO FIGHT FRANCE

**Exemption For Gen. De Gaulle's Army**

LONDON, Aug. 7 (Reuter).—A memorandum of the agreement between the British Government and General Charles de Gaulle states that the French force assisting Britain will never be required to take up arms against France.

The memorandum was issued to-night with the letters exchanged between Mr. Winston Churchill and General de Gaulle.

In his letter, Mr. Churchill expressed Britain's determination to secure full restoration of French independence and greatness when victory is gained.

The agreement, which dates from July 1, 1940 states that the French force of volunteers being raised by General de Gaulle as far as possible will retain the character of a French force in respect of personnel—particularly as regards discipline, language, promotion and duties.

As soon as practicable, the British Government will equip the force with arms and equipment which may be essential to place its units on a scale equivalent to that of similar British units.

Weapons, planes, ammunition, etc. brought with them by the French force will be allocated in priority to them to help with their equipment.

**Allocation Of Fleet**

To make the utmost use of vessels from the French Fleet, careful arrangements have been made for their allocation. While the French will operate as many warships as they can man, others will be under direct British control and some under other allied naval forces.

Where possible, ships under British control will include a proportion of French officers and men in their complement.

General de Gaulle and the British Admiralty will keep in close touch and decide the allocation of ships.

The use of French merchant ships and crews—for military operations—is also to be arranged between General de Gaulle and the British departments concerned.

Under the agreement, General de Gaulle is to accept the general direction of the British High Command.

Subject to a proviso that the French force will never be required to take up arms against France, General de Gaulle, when necessary, will delegate, by agreement, the immediate command of any part of the force to British officers.

**When Peace Comes**

When peace comes, Britain undertakes to help the French volunteers to regain their rights and national status, and in the meantime is willing to afford special facilities to the volunteers to acquire British nationality.

The sums required for constituting and maintaining the French force will be met in the first instance by Britain and will be regarded as an advance and will be specially recorded.

## Bad Weather Hampers

**But R.A.F. Score Hits On Nazi Factories**

LONDON, Aug. 7 (Reuter).—An Air Ministry communiqué states that last night R.A.F. bombers, hampered by low cloud and poor visibility, were forced to abandon many of their primary objectives.

In spite of this, an oil plant at Hamburg, a supply depot at Scherke, an anti-aircraft battery at Hamburg and a factory at Mors were attacked, other aircraft bombed aerodromes in Holland and Northern Germany, causing damage to hangars and many fires.

One of our aircraft is missing.

## U.S. SHIPS FOR EVACUEES

WASHINGTON, Aug. 7 (Reuter).—The House of Representatives has passed and sent to the Senate the legislation authorising United States ships to enter belligerent waters to evacuate child refugees.

The House accepted the amendments intended to ensure that children should not become public charges and to forbid nurses who are not American citizens entering the United States.

## Quake Reported In Iran

SPECIAL TO THE "TELEGRAPH" TEHERAN, Aug. 7 (Dome).—Reports trickling from Tuzbat and Maidan in northern Iran said that a severe earthquake occurred there, causing considerable damage. No loss of lives was reported.

## Nazi Pilot Captured By Woman

**Drama In English Country Lane**

LONDON, Aug. 7 (Reuter).—A German airman, who is thought to have landed by parachute and who had been at large for about 11 days, was captured to-day in the Bristol area. He surrendered to a woman motorist who noticed his unusual appearance.

It is thought that he may have baled out after his machine was hit.

**Walks Out Of Wood**

It later transpired that he was captured by Lady Buckland, widow of Lord Buckland. The airman emerged from a wood looking very dishevelled and could only speak a few words of English.

He indicated by a dumb show how he had baled out of his plane and that he was afraid to surrender because he expected to be killed immediately.

It also transpired that the authorities had also arrested two other airmen who had baled out of a plane, and had been searching for this man for the past nine days.

## Saloon Car Somersaults, Catches Fire

**Dramatic Escape For Two H.K. Residents**

Two men in a saloon car which somersaulted thrice and then caught fire were taken to Queen Mary Hospital in the early hours of this morning after a narrow escape from death. They were Mr. G. Kotwall, of Seen Keen Terrace and

Mr. K. P. Chau, of 40 King's Road. Both were suffering from injuries to the head. Mr. Kotwall, was, however, permitted to return to his home after receiving treatment.

The incident occurred at approximately 12.30 a.m. in King's Road.

**Driver's Report**

Mr. Kotwall was driving along King's Road in a westerly direction and was nearing Tsim Sha Street when he was overtaken by another car which, he stated in a report to the police, was travelling at a terrific speed.

He swerved violently to avoid a collision and his car somersaulted three times.

Although the vehicle caught fire, the two men were able to clamber to safety.

They were taken to hospital in an ambulance.

Fire appliances extinguished the fire in Mr. Kotwall's car which, however, was badly damaged.

## TRADE PACT WITH SOVIET, LATEST

LONDON, Aug. 7 (British Wire- less).—Mr. R. A. Butler, in the House of Commons to-day, replied to a number of questions relating to the progress of negotiations for a trade agreement with Russia.

He said: "Lord Halifax recently sent instructions to the British Ambassador at Moscow to seek a further interview with the People's Commissar for Foreign Trade, who had undertaken at his last interview to acquaint His Majesty's Government as soon as possible with the view of the Soviet Government."

"It has always been and still is the wish of H.M.G. that negotiations should make as rapid progress as possible."

"I have received reports that negotiations connected with trade matters are in progress."

## LOSSES ABOARD TWO TRAWLERS

LONDON, Aug. 7 (Reuter).—It is officially announced that casualties in the trawler Morana were one officer killed, one officer and ten ratings missing, presumed killed, and six ratings wounded.

Casualties in the trawler Cape Finistere were one Officer wounded, one rating killed and eight ratings wounded.

The loss of both vessels has already been announced.

## Where Is Belgian Government?

LONDON, Aug. 7 (Reuter).—In the House of Commons to-day, Mr. R. Butler, the Under-Secretary for Foreign Affairs, was asked for information on the present whereabouts and attitude of the Belgian Government.

Mr. Butler told the House that Lord Halifax was awaiting certain information. In the meantime he offered not to give a detailed reply.

## ALHAMBRA THEATRE

NATHAN RD. KOWLOON DAILY AT 2.30-5.20-7.20-9.30. TEL 56856

**FINAL SHOWINGS TO-DAY**  
**STAN LAUREL • OLIVER HARDY**  
in **"BONNIE SCOTLAND"**



To-morrow—"UNION PACIFIC"

**SATURDAY**  
**ROBERT TAYLOR • HEDY LAMARR**  
in **"LADY OF THE TROPICS"**

## QUEEN'S THEATRE

HONGKONG DAILY AT 2.30-5.15-7.20-9.30 P.M. TEL 31453

**TO-DAY & TO-MORROW**  
**A REVIVAL OF THE GREATEST AND MOST THRILLING TARZAN PICTURE!**



**SATURDAY** Robert TAYLOR - Hedy LAMARR in **"LADY OF THE TROPICS"**  
An MGM Picture

## STAR THEATRE

HANKOW RD. KOWLOON DAILY AT 2.30-5.20-7.20-9.20 TEL 57795

**TO-DAY ONLY**  
**SYLVIA SIDNEY • JOEL McCREA**



**DEAD END**  
UNITED ARTISTS PICTURE

**TO-MORROW "SHALL WE DANCE"**  
An RKO Picture

## CATHAY

DAILY AT 2.30, 5.15, 7.20, 9.30 P.M.  
MATINEES—20c, 30c, 40c. EVENINGS—20c, 30c, 50c, 70c, 80c.

**TO-DAY, ONE DAY ONLY!**

A picture thrill-filled and exciting! Shirley talking and singing Chinese! Romance in Glittering Shanghai! A gripping story—a surprise dramatic climax!



**Shirley TEMPLE**  
**Stowaway**  
YOUNG - FAYE  
EUGENE PALMER - FRANK WESTLEY  
ARTHUR HAYWARD

**TO-MORROW & SATURDAY—2 DAYS ONLY!**  
A. J. Cronin's first novel since "THE CITADEL"



**Brian AHERNE**  
**Anne SHIRLEY**  
**VIGIL IN THE NIGHT**  
Julian Marshall - Robert Conte - Brenda James - Peter Cushing  
1940 Metro-Goldwyn-Mayer

Printed and Published for the Proprietors by FRANKIE FERRY PHANTILLAN, at 1 and 3, Wyndham Street in the City of Victoria, Hongkong.

**Dine, Wine & Dance**  
**at CHANTECLER**  
176-178 NATHAN ROAD, KOWLOON. TEL. 30021